



Sudden Valley Community Association

1850 Lake Whatcom Blvd, Bellingham, WA 98229

www.suddenvalley.com 360-734-6430

Board of Directors Meeting

October 8, 2026, 7:00 PM, 8 Barn View Ct. Multipurpose Room A

Call to Order

Roll Call

1) Adoption of Agenda

2) Announcements

3) Property Owner Comments – 15 Minutes Total

Please note that comments are limited to 3 minutes per person.

a) Response to Property Owner Comments

4) Consent Agenda

a) Approval of Minutes – September 10, 2026

b) Approval of Minutes – September 24, 2026

5) Reports

(a) GM Report

(b) Financial Statements, July 2026

(c) Committee Reports:

(i) Architectural Control

(ii) Document Review

(iii) Finance

(iv) Long Range Planning

(v) Nominations & Elections

6) Continuing Business

a) Committee Business

b) DRC Proposals for Board Publication Policy, Other Actions

c) Request for Approval – Revisions to Employee Handbook

7) New Business

a) Request for Approval – Offer to Purchase 63 Louise View Dr

b) Discussion – SVCA Capital Project Bidding Process

8) Executive Session

a) Personnel and Legal

Adjournment

How to Attend Meetings of the Board of Directors

Meetings can be attended in-person or online. A link to the Zoom meeting can be found at <https://suddenvalley.com/board/> or follow these instructions: go to Zoom.com; Click on “Meet” on the top menu bar and select “Join a Meeting”; Enter **86704997445** in the meeting ID box; follow the instructions to enter the meeting.



BOARD OF DIRECTORS REGULAR MEETING

Thursday, September 10, 2026, 7:00 PM

8 Barn View Ct, Multipurpose Room A

Minutes

CALLED TO ORDER AT: 7:00 pm

AUDIENCE MEMBERS: Not Recorded

BOARD MEMBERS PRESENT:

1. Keith McLean, President Excused	4. Taimi Van de Polder, Secretary Excused	7. Sean Chaffee Excused	10. Rob Gibbs, N&E Chair Excused
2. Tom Henning, Vice President Present	5. Laurie Robinson Excused	8. Mitch Waterman Present	11. Daniel Rodriguez, ACC Chair Present
3. Jean Maixner, Treasurer Present	6. Ray Meador Excused	9. Linda Bradley Present	5 of 11 BOD members present.

ATTENDING:

STAFF MEMBERS: Jo Anne Jensen, General Manager
Spencer Huston, IT
Joel Heverling, Accounting Manager

CALL TO ORDER:

Tom Henning, Vice President, called the meeting to order at 7:00 PM

1. Vice President called for motion to adopt the agenda

Motion: Amend the agenda to include 7C, Additional Funds for the 2026 Election

Motion By: Vice President Henning		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

2. Announcements

2a.

3. Property Owner Comments:

- A resident presented additional information about the community property along the western Marina shoreline.
- A resident wanted to thank the Board for retracting the article in The Views. Also shared their thoughts on reducing the dog park and using the west side of the Marina.
- A resident made a comment about the compliance article that was in the most recent Views regarding campaign signs.
- A resident made a comment about the shared property on the western side of the Marina. Thinks that property owners should have a fence where the private property ends and where the trail begins.

- A resident spoke on the steps that she saw that were installed along the shoreline of Lake Louise.

3a. Response to Property Owner Comments from August 13, 2026

- James Pinkerton's comment – Thank you for bringing the issue forward. However, SVCA has a responsibility to report issues that are of concern to the community that happened in a public setting.
- Jane Smith's comment – We appreciate your comments, however with online voting we decided not to make those changes.
- Brad Edward's comment – Regarding rebuttal of the article, you were given the opportunity to respond. It was outside the scope of the article. Your response did not address your objections.
- Barbra's comment – Neither the association nor the board have a new Facebook page.

4. Consent Agenda

Motion: Motion to approve meeting minutes from August 27th meeting

Motion By: Director Bradley		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor:	Against:	Abstained:	

Motion: Motion to approve meeting minutes from September 3rd meeting

Motion By: Director Bradley		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor:	Against:	Abstained:	

5. Reports

5a. GM Reports

5b. Financial Statements, June 2026

5c. Committee Reports:

- Architectural Control - None
- Document Review – Completed the Bylaw Revisions
- Finance - None
- LongRange Planning - None
- Nominations & Elections – Committee held the candidate lottery on Sept. 8th. 13 new candidates submitted applications, 9 for BOD, 3 for ACC, and 1 for N&E. Draft voting materials have been submitted for attorney review, and drafts have been sent out to UNILEC for publication. AGM material drafts for board review tonight

6. Continuing Business

6a. Committee Business

- Issue with political flyers being posted on mailboxes around SVCA. Flyers posted on mailboxes are NOT allowed. Door-to-door soliciting is also not allowed.

6b. Request for Approval – AC Policy Change

Motion: Move that the Sudden Valley Board of Directors approve the proposed changes to the AC Policies.

Motion By: Vice President Henning		Seconded By: Director Waterman	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

7. New Business

7a. Request for Approval –Voting Materials

Motion: Move that the Sudden Valley Board of Directors approve the ballot as shown, with changes as discussed.

Motion By: Vice President Henning		Seconded By: Director Robinson	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

Motion: Move that the Sudden Valley Community Association Board of Directors approve the voting instruction as shown with changes as discussed.

Motion By: Vice President Henning		Seconded By: Director Robinson	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

Motion: Move that the SVCA Board of Directors approve the voting booklet as shown with changes as discussed.

Motion By: Vice President Henning		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

Motion: Move that the SVCA Board of Directors approve the secrecy envelope with changes as discussed.

Motion By: Vice President Henning		Seconded By: Director Waterman	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

Motion: Move that the SVCA Board of Directors approve the return envelope, front and back, as shown with the changes as discussed.

Motion By: Vice President Henning		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

7b. Discussion – Use of Micro-Mobility Vehicles in Sudden Valley

7c. Request for Approval – Additional Funds for the 2026 AGM Election

Motion: Move that the Board of Directors approve an additional \$8,295.19 in funding from UDR to pay for the additional printing and postage costs associated with the final version of the proposed Bylaw Revisions.

Motion By: Vice President Henning		Seconded By: Director Waterman	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

8. Recall to the table – Minutes from the August 27th meeting

Motion: Recall to the table, which voids the earlier vote, that the minutes are approved.

Motion By: Director Waterman		Seconded By: Director Robinson	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

Meeting adjourned at 9:02 PM

Approved by: _____

Taimi Van de Polder, Board of Directors Secretary



BOARD OF DIRECTORS REGULAR MEETING

Thursday, September 24, 2026, 7:00 PM

8 Barn View Ct, Multipurpose Room A

Minutes

CALLED TO ORDER AT: 7:01 pm

AUDIENCE MEMBERS: Not Recorded

BOARD MEMBERS PRESENT:

1. Keith McLean, President Excused	4. Taimi Van de Polder, Secretary Present	7. Sean Chaffee Excused	10. Rob Gibbs, N&E Chair Absent
2. Tom Henning, Vice President Present	5. Laurie Robinson Present	8. Mitch Waterman Present	11. Daniel Rodriguez, ACC Chair Present
3. Jean Maixner, Treasurer Present	6. Ray Meador Excused	9. Linda Bradley Present	7 of 11 BOD members present.

ATTENDING:

STAFF MEMBERS: Jo Anne Jensen, General Manager
Spencer Huston, IT

CALL TO ORDER:

Tom Henning, Vice President, called the meeting to order at 7:01 PM

1. Vice President called for motion to adopt the agenda

Motion: Move to adopt the Agenda

Motion By: Secretary Van de Polder		Seconded By: Director Maixner	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

2. Announcements

2a. Seminar for seniors who have low income and may qualify for reduced property taxes on September 30th, Multipurpose Room A at 1:00 PM.

3. Property Owner Comments:

- A resident wanted to share how wonderful Senior Tea was. Had a really good time
- A resident has shared her recent experience with the FabFive and their supporters. Felt like she was being targeted and they falsely accused her of something.
- A resident shared his concern about the political climate with the FabFive, and homeowners being falsely accused of not letting SVCA residents into the common area on the west side of the marina.
- A resident shared his concern about the dues being raised and how the homeowners on Spinnaker Ln are using the waterfront area.

- A resident shared his thoughts on the false claims that residents on Spinnaker Ln don't let people onto the SVCA common area. Does not understand how this narrative came about. Shared his support of the dog park fencing.
- A resident shared the story of the incident that happened last week, where his puppy was attacked and killed by another dog. Would like to request more signs on Lake Louise trail. Also, would like to request the board and the association to consider fines or fees for any dog attacks against another dog, either injury, traumatic or fatal again or another person.

3a. Response to Property Owner Comments from August 13, 2026

- i. Tabling for the next board meeting

4. Consent Agenda

Motion: Motion to approve meeting minutes from August 27th meeting as originally written

Motion By: Secretary Van de Polder		Seconded By: Director Maixner	
Approved: X	Not Approved:	Tabled:	Died:
In Favor:	Against:	Abstained: 2	

Motion: Motion to approve meeting minutes from September 10th meeting

Motion By:		Seconded By:	
Approved:	Not Approved:	Tabled: X	Died:
In Favor:	Against:	Abstained:	

5. Reports

- 5a. None

6. Continuing Business

- 6a. DRC – In regard to what can be published in the views, DRC came together and came up with 3 options. The first is to put together a draft board publication policy. The second, is to have a policy for the board to follow, where there has to be the name of the person who wrote it and not just “the board” or “administration”. The third, is to reinstate the attribution policy that was formed in the association on July 27, 2009.

6b. Discuss Next steps for managing micro-mobility vehicles

Motion: Move to direct the General Manager to prepare a brief article for inclusion in The Views, and to invite members interested in joining a task force to please contact her and facilitate the gathering and initiation of a task force.

Motion By: Director Waterman		Seconded By: Secretary Van de Polder	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

7. New Business

- 7a. Request for Approval – Revisions to Employee Handbook

Motion: Move that the SVCA Board of Directors defer approve revisions to the SVCA Employment Handbook as detailed in the attached redline document to become effective immediately.

Motion By: Director Bradley		Seconded By: Secretary Van de Polder	
Approved:	Not Approved:	Tabled: X	Died:
In Favor:	Against:	Abstained:	

7b. Union Contract Negotiation Team – Appointment of Board Representatives

Motion: Move that Tom Henning and Sean Chaffee be appointed by the SVCA Board of Directors to participate in negotiations with Teamsters Local 231 as a representative of the Board.

Motion By: Vice President Henning		Seconded By: Secretary Van de Polder	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

7c. Request for Approval – Proposed 2027 Golf Fees

Motion: Move that the SVCA Board of Directors approve the attached schedule of 2027 golf fees.

Motion By: Vice President Henning		Seconded By: Director Waterman	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

7d. Capital Request – Barn 6 Demolition

Motion: Move that the SVCA Board of Directors approve \$462,072.19 in funding from CRRRF as proposed for the demolition of Barn 6 and site preparation for the new building and authorize the General Manager to execute SVCA's standard construction contract with WRS for this work.

Motion By: Vice President Henning		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained:	

Meeting adjourned at 8:23 PM

Approved by: _____

Taimi Van de Polder, Board of Directors Secretary

Sudden Valley Community Association

Sudden Valley Community Association Balance Sheet July 31, 2026 and December 31, 2025

	Unaudited** Jul 31, 2026	Unaudited** Dec 31, 2025	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	\$ 698,071	\$ 496,968	\$ 201,103
Building Completion Deposit Fund	688,900	798,900	(110,000)
Member Receivables - Operations*	-	47,957	(47,957)
Other Receivables	2,763	3,445	(682)
Prepaid Expenses	189,713	91,940	97,773
Operating Lease ROU Assets	19,040	23,036	(3,996)
Inventory	6,818	5,704	1,114
Total Current Assets	1,605,305	1,467,950	137,355
Current Liabilities			
Accounts Payable	(47,223)	(173,503)	126,280
Accrued Vacation Liability	(93,119)	(78,129)	(14,990)
Accrued Payroll	-	(96,358)	96,358
Prepaid Assessments	(297,010)	(183,275)	(113,735)
Building Completion Deposits	(688,900)	(798,900)	110,000
Other Refundable Deposits	(12,751)	(11,426)	(1,325)
Operating Lease Liability	(19,040)	(23,036)	3,996
Prepaid Golf Memberships	-	(156,649)	156,649
Total Current Liabilities	(1,158,043)	(1,521,276)	363,233
Other Liabilities			
Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(23,333)	(28,000)	4,667
Total Other Liabilities	(381,033)	(385,700)	4,667
Operating Reserve Funds			
Emergency Operating Cash	365,133	364,709	424
Undesignated Reserves Cash	360,349	314,936	45,413
Total Operating Reserve Funds	725,482	679,645	45,837
Net Operating Assets	\$ 791,711	\$ 240,619	\$ 551,092
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,677,921	3,754,490	(76,569)
Roads Reserve Cash Fund	3,105,182	2,992,291	112,891
Board Density Reduction Cash Fund	150,883	150,789	94
Mailbox Cash Fund	194,366	178,900	15,466
CRRRF Capital Reserve Holding Cash	219,570	219,316	254
Mitigation Assignment of Savings Cash	49,947	49,905	42
LWWSD Assignment of Savings Cash	14,961	14,953	8
Member Receivables - Capital**	-	13,020	(13,020)
Total Capital Current Assets	7,412,830	7,373,664	39,166
Capital Fixed Assets			
Fixed Assets	17,325,550	16,681,607	643,943
Finance ROU Assets	39,148	46,977	(7,829)
Lots Held for Sale	188,858	188,858	-
Total Capital Assets	17,553,556	16,917,442	636,114
Long Term Liabilities			
CRRRF Loan 2022	(1,102,181)	(1,267,067)	164,886
Finance Leases	(41,314)	(51,608)	10,294
Total Long Term Liabilities	(1,143,495)	(1,318,675)	175,180
NET ASSETS	\$ 24,614,602	\$ 23,213,050	\$1,401,552
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	539,736	(52,135)	591,870
Transfers Out from Operations to Capital	-	-	-
Current Year Net Income: Capital**	861,818	1,458,960	(597,143)
Transfers Into Capital from Operations	-	-	-
Retained Earnings**	4,145,107	4,197,242	(52,135)
Capital**	19,067,942	17,608,982	1,458,960
TOTAL MEMBER EQUITY	\$ 24,614,602	\$23,213,050	\$1,401,552

* The Association's internal policy is to write off any member receivables that are 30 days past due as bad debts for internal interim financial statement purposes. As per SVCA policy, Management continues to pursue collection of these receivables via all avenues allowed by Washington State laws. In addition, the Association records and bills finance charges on receivables that are thirty days past due at 1% per month. At July 31, 2026, and December 31, 2025, the balances of receivables written off were \$874,828 and \$743,506, respectively.

** Beginning with the 2020 year end audited financial statements, Accounting Standards Codification (ASC) 606 requires issued audited financial statements to reclassify unspent capital dues revenue, including related capital transfer fee collections, as a contract liability balance (unearned revenue), which is then reversed out in future years when capital dues/capital transfer fee collections are actually expended on capital related expenditures. This particular accounting standard change is only incorporated into the issued audited financial statements and is not factored into SVCA's internal monthly statements as it would obscure the reality of monthly capital dues/capital transferee fee revenues collected for internal monthly presentation purposes. See SVCA's 2020 through 2024 audited financial statements (2024 represents the most recently issued audited statements), which fully incorporate ASC 606 and comply with Generally Accepted Accounting Principals (GAAP).

*** At 2024 year end, the Association recorded a contingent liability relating to Paycheck Protection Program (PPP) loan funds that were received in May 2020 and then forgiven by the Small Business Administration (SBA) in September 2021, which are funds that the SBA has since subsequently deemed that the Association did not qualify for because of its 501(C)(4) tax exempt status, which was communicated to the Association by the government in April 2025. This contingency was classified by the Association as probable. And upon final resolution with the SBA, the Association believes that the estimated amount of liability will be limited to the original amount of the PPP loan funds received (\$357,700) because of the fact that the Association fully disclosed its tax exempt status to the SBA during the PPP loan application process, which the government has especially acknowledged.

**Sudden Valley Community Association
Income Statement Summary**

UNAUDITED

	Current Month - July 2026			Year to Date - 7 Months Ending 7/31/2026		
	Operations & Operating Reserves	Operations Better / (Worse) Budget	Capital Reserves**	Operations & Operating Reserves	Operations Better / (Worse) Budget	Coll % Capital Reserves**
REVENUE						
Current Year Dues & Assessments Income						
Dues & Assessments Income	267,835		251,074	1,876,177		1,758,745
Bad Debt Reserve	(1,174)		1,593	(58,563)		(38,276)
Net Current Year Assessment Income	266,661	12,634	252,667	1,817,614	39,428	96.9% 1,720,469
Bad Debt Recoveries - Prior Years			790			14,203
Golf Income	205,436	(27,418)	-	999,821	57,824	-
Marina Income	-	(934)	-	246,201	3,667	-
Rec Center & Pools Income	10,157	22	-	24,034	2,481	-
Legal & Collections Income	-	-	-	-	-	-
Other Income	22,226	12,552	-	146,095	63,313	-
Rental Income - Other	1,305	(2,653)	-	10,965	841	-
Area Z Rental Income	5,906	(148)	-	20,483	2,725	-
Lease Income	5,982	-	-	41,271	-	-
New Home Construction Fees	29,150	13,430	-	108,550	(23,098)	-
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-	3,004
Capital Gain (Loss) on Sale of Lots	-	-	-	-	-	-
Investment Income	544	(206)	3,075	3,563	(1,687)	20,929
Total Revenue	547,367	7,279	256,532	3,418,597	145,494	1,758,605
EXPENSES						
Salaries & Benefits	363,726	(34,739)	-	1,525,528	40,620	-
Contracted & Professional Services	38,744	(6,669)	-	194,675	(18,971)	-
CC&Rs/ Mandates	38,063	4,895	-	256,048	35,532	-
Maintenance & Landscaping	52,806	21,795	-	314,239	48,393	-
Utilities	15,914	(135)	-	147,018	(14,553)	-
Administrative	23,363	(4,284)	-	138,152	(4,963)	-
Regulatory Compliance	18,759	(2,191)	-	149,162	36,382	-
Insurance Premiums	19,888	1,020	-	136,620	11,821	-
Other Expenses	-	292	-	-	4,638	-
Depreciation Expense	-	-	120,707	-	-	854,381
Closing Costs - Lot Sales	-	-	-	-	-	-
Interest expense	-	-	4,037	-	-	29,386
Total Expenses	571,263	(20,016)	124,744	2,861,442	138,899	883,767
Net Income (Loss)	(23,896)	(12,737)	131,788	557,155	284,393	874,838
Net UDR Activity for Operations						
Bylaws and Rules & Reg Revisions-WUCIOA	-			(7,130)		
2026 Community Survey & Support	-			(18,400)		
Net Income (Loss) with Board Approved UDR	(23,896)	(12,737)	131,788	531,625	284,393	874,838
Other Activity						
Net Other UDR Activity*	12,355			66,391		
AR Accrual - Prior Year Reversal	-		-	(47,957)		(13,020)
AR Accrual - Current Year	-		-	-		-
Lease Income- Library Prepaid Recognized	667			4,667		
Vacation Liability Accrual	7,242			(14,990)		
Total Other Activity	20,264		-	8,111		(13,020)
Grand Total Activity	(3,632)	(12,737)	131,788	539,736	284,393	861,818

*Prior year recoveries for operations are deposited into the Undesignated Reserve Account (UDR).

**Refer to the last footnote on the Balance Sheet (prior page) for a discussion of Accounting Standards Codification (ASC) 606 and capital dues revenue collections.

Sudden Valley Community Association

Sudden Valley Community Association
Reserve Cash Balance & Activity
7 Months Actuals, 5 Months Projected

UNAUDITED

UNAUDITED

	Capital Reserve Funds						Operating Reserve Funds			
	CRRRF	Roads	CRRRF Capital Reserve Holding Cash	Board Density Reduction	Mailbox	Mitigation Assignment of Savings*	Total Capital Reserve Funds	Emergency Ops	UDR	Total Operating Reserve Funds
Net Available Cash 12/31/2025	3,754,490	2,992,291	219,316	150,789	178,900	64,858	\$ 7,360,644	364,709	314,936	\$ 679,645
Dues Received	857,607	854,097		-	15,253		1,726,957	-	73,155	73,155
Storm Water Mitigation Plan Fee		-					-			-
Investment Income	10,895	9,423	254	94	213	50	20,929	424	376	799
Sale of Assets	3,004						3,004			-
Sale of Lots (Net Proceeds)				-			-			-
Mitigation Release	-	-				-	-			-
2026 Expenditures	(948,075)	(750,629)	-	-	-		(1,698,704)		(28,118)	(28,118)
Net Available Cash at 7/31/2026	3,677,921	3,105,182	219,570	150,883	194,366	64,908	\$ 7,412,830	365,133	360,349	\$ 725,482
5 Month Outlook										
Outlook - 2026 Dues (95% collections)	592,632	588,044			10,509		\$ 1,191,185			\$ -
Outlook - Prior Year Collections	8,026	7,964			142		16,132		17,201	17,201
CRRRF Loan Payments for year 2026	(138,766)						(138,766)			-
Obligated Expenses/Holdings	(969,973)	(1,148,195)	(219,570)			(64,908)	(2,402,646)		(21,282)	(21,282)
Net Usable Cash Balance 12/31/2026	3,169,840	2,552,995	-	150,883	205,018	-	\$ 6,078,735	365,133	356,268	\$ 721,401
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
Net Usable Cash 12/31/2026, After Recommendation	\$ 2,569,840	\$ 2,052,995	\$ -	\$ 150,883	\$ 205,018	\$ -	\$ 4,978,735	\$ 365,133	\$ 356,268	\$ 721,401
Net Current Year Cash Increase (Decrease)	(584,650)	(439,296)	(219,316)	94	26,118	(64,858)	\$ (1,281,909)	424	41,332	\$ 41,756

*Note, when mitigation period has ended, unspent funds will be returned to the source account, Roads and CRRRF.

Sudden Valley Community Association

Operations - By Department

July 1, 2026 to July 31, 2026

Whole \$

CURRENT MONTH

UNAUDITED

<u>Department</u>	<u>Actual Revenue</u>	<u>Revenue B / (W)</u>	<u>Actual Salary Benefits</u>	<u>Salary & Benefits B / (W)</u>	<u>Actual Other Expense *</u>	<u>Other Exp B / (W)*</u>	<u>Net Income / (Loss) *</u>	<u>Net B / (W)*</u>
ACC / Security	29,495	13,775	11,769	(1,194)	58,687	(5,329)	(40,961)	7,252
Accounting	2,617	(934)	43,868	878	7,828	(4,376)	(49,079)	(4,432)
Administration	15,784	15,316	51,059	(1,035)	21,494	(7,217)	(56,769)	7,064
Common Costs	3,424	(660)	-	-	23,583	11,975	(20,159)	11,315
Facilities	11,887	(315)	7,092	(1,939)	7,308	22,502	(2,513)	20,248
Maintenance	-	-	56,920	(18,918)	5,385	12,183	(62,305)	(6,735)
Subtotal	63,207	27,182	170,708	(22,208)	124,285	29,738	(231,786)	34,712
Golf	205,436	(27,418)	130,352	(1,670)	58,369	(16,600)	16,715	(45,688)
Marina	600	(2,655)	-	-	3,190	(2,147)	(2,590)	(4,802)
Rec/ Pools/ Parks	11,462	(2,464)	62,666	(10,861)	21,692	3,732	(72,896)	(9,593)
Subtotal	217,498	(32,537)	193,018	(12,531)	83,251	(15,015)	(58,771)	(60,083)
Subtotal Operations before Ops Dues	280,705	(5,355)	363,726	(34,739)	207,536	14,723	(290,557)	(25,371)
Ops Dues Earned	267,835						267,835	
Curr Yr Bad Debts Activity	(1,174)						(1,174)	
Net Ops Dues	266,661	12,634					266,661	12,634
Net Operations	547,366	7,279	363,726	(34,739)	207,536	14,723	(23,896)	(12,737)
Net BOD Approved UDR Activity for Operations								
Bylaws and Rules & Reg Revisions-WUCIOA	-		-		-		-	
2026 Community Survey & Support	-		-		-		-	
Net Operations with Board Approved UDR	547,366	7,279	363,726	(34,739)	207,536	14,723	(23,896)	(12,737)
Other Operating Activity								
UDR Activity	12,795				440		12,355	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				(7,242)		7,242	
Total Other Operating Activity	13,462				(6,802)		20,264	
Grand Total Operations Activity	560,828	7,279	363,726	(34,739)	200,734	14,723	(3,632)	(12,737)

* Excludes Depreciation

B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association

Sudden Valley Community Association
Operations - By Department
January 1, 2026 to July 31, 2026
YEAR TO DATE

Whole \$

UNAUDITED

<u>Department</u>	<u>Actual Revenue</u>	<u>Revenue B / (W)</u>	<u>Actual Salary Benefits</u>	<u>Salary & Benefits B / (W)</u>	<u>Actual Other Expense *</u>	<u>Other Exp B / (W)*</u>	<u>Net Income / (Loss) *</u>	<u>Net B / (W)*</u>
ACC / Security	130,687	(29,588)	58,150	(4,645)	329,311	48,487	(256,774)	14,254
Accounting	19,909	(1,743)	223,134	2,833	37,133	(5,188)	(240,358)	(4,098)
Administration	75,040	72,391	263,441	(10,860)	126,844	(35,583)	(315,245)	25,948
Common Costs	28,284	(299)	-	-	236,157	45,249	(207,873)	44,950
Facilities	61,753	1,558	34,703	(1,911)	101,452	25,414	(74,402)	25,061
Maintenance	-	-	238,857	(6,756)	57,428	10,782	(296,285)	4,026
Subtotal	315,673	42,319	818,285	(21,339)	888,325	89,161	(1,390,937)	110,141
Golf	999,821	57,824	517,556	43,983	336,524	766	145,741	102,573
Marina	250,490	1,434	-	-	12,970	4,121	237,520	5,555
Rec/ Pools/ Parks	34,999	4,489	189,687	17,976	98,095	4,231	(252,783)	26,696
Subtotal	1,285,310	63,747	707,243	61,959	447,589	9,118	130,478	134,824
Subtotal Operations before Ops Dues	1,600,983	106,066	1,525,528	40,620	1,335,914	98,279	(1,260,459)	244,965
Ops Dues Earned	1,876,177						1,876,177	
Curr Yr Bad Debts Activity	(58,563)						(58,563)	
Net Ops Dues	1,817,614	39,428					1,817,614	39,428
Net Operations	3,418,597	145,494	1,525,528	40,620	1,335,914	98,279	557,155	284,393
Net BOD Approved UDR Activity for Operations								
Bylaws and Rules & Reg Revisions-WUCIOA	-		-		7,130		(7,130)	
2026 Community Survey & Support	-		-		18,400		(18,400)	
Net Operations with Board Approved UDR	3,418,597	145,494	1,525,528	40,620	1,361,444	98,279	531,625	284,393
Other Operating Activity								
UDR Activity	69,005				2,614		66,391	
AR Accrual - Prior Year Reversal	(47,957)				-		(47,957)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	4,667				-		4,667	
Vacation Liability Accrual	-				14,990		(14,990)	
Total Other Operating Activity	25,715				17,604		8,111	
Grand Total Operations Activity	3,444,312	145,494	1,525,528	40,620	1,379,048	98,279	539,736	284,393

* Excludes Depreciation

B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association

SUDDEN VALLEY COMMUNITY ASSOCIATION - LOTS & DUES ANALYSIS 2026

																									SVCA Owned Lots				LLE & CTB	Dues Exempt	Total Non Billable Lots	Total All Lots	
	Actual Year Prepaid			Actual Current			Actual 1 Mth Due		Actual 2 Mth Due		Actual 3 Mth Due		Actual 4+ Mth Due		Pmt Plans		Total Prepaid & Current			Total Not Current			Total Billable Lots			Restricted							
	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Total	Perm	WD10	Avail.					Total
Jan	15	84	99	265	2,534	2,799	18	93	4	20	3	9	19	40	2	12	280	2,618	2,898	46	174	220	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
Feb	18	90	108	265	2,521	2,786	10	85	7	29	4	12	20	43	2	12	283	2,611	2,894	43	181	224	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
Mar	19	91	110	260	2,540	2,800	18	70	1	22	3	13	23	43	2	13	279	2,631	2,910	47	161	208	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
Apr	19	96	115	266	2,564	2,830	11	53	3	10	2	10	23	46	2	13	285	2,660	2,945	41	132	173	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
May	19	102	121	263	2,564	2,827	10	44	5	15	2	4	25	50	2	13	282	2,666	2,948	44	126	170	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
Jun	22	116	138	258	2,517	2,775	13	73	4	17	1	9	25	47	2	13	280	2,633	2,913	45	159	204	325	2,792	3,117	775	1	1	777	741	6	1,524	4,641
Jul	20	131	151	261	2,512	2,773	13	71	3	14	2	7	24	44	2	13	281	2,643	2,924	44	149	193	325	2,792	3,117	775	1	1	777	741	6	1,524	4,641
Aug	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

LLE = Lot Line Eraser
CTB = Covenant to Bind

[illegible]

[illegible]

[illegible]



Sudden Valley Community Association

Policy: Board Publication Policy
No. 2026-TBD
Date: TBD

Purpose: The purpose of this policy is to establish clear standards for the creation, review, approval, and distribution of all publications issued by the Board of Directors, ensuring they are accurate, consistent, and aligned with the Association's mission, values, and communication practices.

Scope: This policy applies to all official publications, including but not limited to:

- Annual reports
- Newsletters
- Press releases
- Public statements
- Digital content (e.g., website updates, social media posts) issued on behalf of the Board

Guiding Principles

- **Accuracy:** All published materials must be factually correct and verified before release. Unvetted or unverified topics shall be avoided.
- **Transparency:** Publications shall reflect the Board's commitment to openness and accountability. Focus on relevant community content-events, financial information, important Association reminders, seasonal member initiatives (Firewise), winter snow plowing schedule.
- **Consistency:** Messaging should align with the Association's strategic goals and identity.
- **Confidentiality:** Sensitive or privileged information must not be disclosed without proper authorization.
- **Attribution:** All publications shall bear a verifiable attribution.
- Avoid editorializing or opinion pieces. The Board's role is to inform, not to advocate or take sides on community issues. Avoid commentary that could be seen as biased or inflammatory.
- Avoid using publications for unresolved disputes. If an issue is still under review, it is better to address it at a meeting.
- Publications of a political nature from the Board or a committee which either support or oppose certain candidates for the Board shall be prohibited.

Approval Process

- **Drafting:** Any proposed publication, issued by the Board, shall first prepare the draft of the publication.
- **Review:** Have multiple directors review the article before submission to catch errors and ensure accuracy.
- **Approval:** Final approval is granted by the Board or Executive Committee, as applicable.
- **Release:** The approved publication is distributed through designated channels.

Roles and Responsibilities

- **The Board:** Shall oversee the publication process and ensure compliance with policy.
- **The Board or their designated representative** shall be the publisher of the Association newsletter, and as the publisher shall adhere to the principles of freedom of the press.
- **Secretary:** Maintains official records of all publications.



Sudden Valley Community Association

Distribution Channels

Publications may be distributed via:

- Organization's website
- Email newsletters
- Social media platforms
- Print media-The Views
- Public events or meetings

Review and Updates

This policy will be reviewed and updated as necessary to reflect best practices and organizational needs.

8. Effective Date

This policy is effective as of (TBD).

History: Rescinded Policy: _____ Superseded/Replaced by Policy: _____

To: SVCA Board of Directors

From: Document Review Committee

Subject: Proposed Contract Amendment: Lewis Publishing Company

Directors,

The Document Review Committee (DRC) having been tasked by the BOD to develop means and methods to implement the Board's August 27th, 2026 "RESOLUTION REGARDING NEWSLETTER ARTICLE", proposes the following option.

- 1) Modify the contract between SVCA and Lewis Publishing giving the Editor compulsive authority to refuse all submissions for publication that lack name attribution. The attribution must be an individual named, not a title such as Board of Directors nor other Committee name.
- 2) As a contract modification, propose Section IV PUBLISHER be modified. As is currently stated in that section, all editorial decisions remain with the Editor, and that stated Editor will adhere to professional standards of journalism, and the first principal of that standard is naming the author.
- 3) As an addendum, which may be quicker to formally implement, incorporate the same requirement as item 2 above.

SVCA had an attribution policy for many years that required all published documents include the name of the author. A review of our Policies today verified that said Policy was removed at some time in the past, which is concerning. Even if such policy was reinstated, it is a policy which any Board can remove (as it appears has been done), modify it, and just ignore it completely.

Changing the Lewis publishing Contract eliminates all capricious communications and holds the authors to realistic accountability.

Sudden Valley Community Association

Policy: Attribution Policy
Policy #: 2009.07
Date: July 27, 2009
Page: 4

Purpose: To insure that all Sudden Valley Members, Residents and Staff know the source(s) of all ads. articles, letters and op-ed pieces in the Sudden Valley Views and items submitted to the Board, Committees, Commissions, and Staff for transparency of communication.

Policy: All contributions to the Sudden Valley Views, the Sudden Valley Board of Directors, any committee or commission appointed by the Board, as well as the SV General Manager, staff or employee, from all sources, shall bear a verifiable attribution:

- Articles to be signed by authors,
- Letters to be signed by writers, and
- Advertisements to be signed by corporate sources or individuals placing and/or paying for those advertisements.



Sudden Valley Community Association

360-734-6430

1850 Lake Whatcom Blvd., Bellingham, WA 98229

www.suddenvalley.com

APPROVAL REQUEST MEMO

To: Sudden Valley Community Association Board of Directors
From: Jo Anne Jensen, General Manager
Date: October 8, 2026
Subject: Approval Request – Changes to Employee Handbook

Purpose

To obtain Board approval for changes to SVCA's Employee Manual.

Background

SVCA's Human Resources (HR) consultant, OneDigital, has prepared revisions to the Employee Manual. The revisions proactively address changes in the workplace and changes to WA State law. The revisions include:

- Changes to the use of pre-employment background checks.
- A new section limiting the use of Generative AI Tools.
- New language describing Washington Paid Family and Medical Leave policies.
- New language describing the use of Sick Leave

The revisions made to the description of how SVCA uses pre-employment background checks are needed because of changes to WA State law that became effective July 1, 2026 (The Fair Chance Act). Similarly, the new language suggested for the PFML and Sick Leave policies reflect changes in the law. The section on the use of Generative AI articulates best practices for limiting/controlling how AI tools can be used and is the only "optional" change being suggested.

Request

I request that the SVCA Board of Directors approve revisions to the SVCA Employment Handbook as detailed in the attached redline document to become effective immediately.

Motion

I move that the SVCA Board of Directors approve revisions to the SVCA Employment Handbook as detailed in the attached redline document to become effective immediately.

Approvals

Approved: _____ Not Approved: _____ SVCA Board of Directors

Signed: _____ Date: _____
Keith McLean, President



Sudden Valley Community Association
360-734-6430
4 Clubhouse Circle Bellingham, WA 98229
www.suddenvalley.com

EMPLOYEE HANDBOOK

Solutions for Your Success

Effective ~~October~~ June 20265

TABLE OF CONTENTS

General Information	1
Welcome	1
About Our Association	1
Purpose of Employee Handbook	1
Employment At-Will.....	2
Commitment to Diversity.....	2
Equal Employment Opportunity	2
Reasonable Accommodation	3
Safety Accommodations for Victims of Domestic Violence, Sexual Assault or Stalking.....	3
Sexual and Other Unlawful Harassment.....	5
Sexual Harassment Defined	5
Other Types of Harassment	6
Protection Against Retaliation	6
Complaint Procedures.....	7
Investigation.....	7
Good Faith Reporting	7
General Employment Practices.....	8
Seniority	8
Employee Classifications.....	8
Exempt Employees	8
Nonexempt Employees	8
Full-Time Employees	8
Part-Time Employees	8
Temporary/Seasonal Employees and Employees Who Are Property Owners	8
Access to Personnel Files	9
Pre-Employment Background Checks.....	9
Employment Eligibility and Work Authorization.....	10
Performance Reviews	10
Progressive Discipline	10
Justifiable Deviation	11
Personal Data Changes	11
Reference Checks.....	11

Romantic and Family Relationships at Work	11
Voluntary Open-Door Policy	12
Workplace Conduct.....	12
Attendance and Punctuality	12
Confidential Association Information	13
Conflicts of Interest.....	14
Grievances and Complaints	15
Contact With the Media.....	16
Outside Employment	16
Key and ID Card Control.....	17
Personal Appearance	17
Religious, Medical and Disability Accommodations.....	18
Personal Electronic Devices	18
Reporting and Anti-Retaliation Policy.....	18
Social Media	19
Standards of Conduct.....	19
Use of Generative AI Tools.....	21
Termination of Employment.....	21
Return of Resources.....	22
Exit Interview	22
Time Off and Leaves of Absence	23
Bereavement Leave	23
Civil Air Patrol Leave	23
Domestic Violence, Sexual Assault or Stalking Leave	23
Emergency Responder Leave	25
Personal Time	25
Holidays.....	25
Other Legally Required Leaves of Absence.....	26
Paid Family and Medical Leave	26
Eligibility	27
Qualifying Reasons and Length of Leave.....	27
Notice Required.....	28
Applying for WA PFML Benefits with the Department	28
Wage Replacement Benefits	28
Coordination With Other Leaves and Association-Provided Benefits	29

Reinstatement and Forfeiture	29
Misuse of WA PFML	30
Protected Rights	30
Additional Information	30
Paid Sick and Safe Leave	30
Use of Paid Sick and Safe Leave	31
Reasons Sick and Safe Leave May be Used	31
Requesting Paid Sick and Safe Leave/Documentation	32
Rate of Pay for Sick and Safe Leave/Overtime	33
Carryover	33
Separation From Employment	33
Confidentiality	33
Effect on Other Rights and Policies	33
No Discrimination or Retaliation	33
Personal Leave	34
Pregnancy Disability Leave	34
Vacation	35
Paid Time Off for Temporary-to-Hire Employees	36
Pay Practices	36
Business Travel and Reimbursement	36
Discussion of Wages	36
Meal and Rest Breaks	37
Meal and Rest Breaks for Minors	38
Employees Age 16 or 17	38
Call-In Pay	38
Overtime	38
Payment of Wages	39
Paycheck Deductions	39
Reporting Errors and Obtaining More Information	39
Timekeeping	40
Nonexempt Employees	40
Exempt Employees	40
Work Schedules	41
Employee Benefits	41
Benefits Overview	41

Educational Assistance Programs	42
Same-Sex Marriages, Civil Unions and Domestic Partnerships	42
Safety and Security	42
Anti-Bullying.....	42
Reporting and Response	43
Anti-Retaliation	43
Anti-Violence.....	43
Business Equipment and Information Systems Usage.....	45
Monitoring of Business Equipment and Information Systems; No Expectation of Privacy	45
Acceptable Use.....	45
Computer and Systems Security	46
E-mail and Message Content Screening.....	47
Virus Protection.....	47
Discipline	47
Cameras and Video Surveillance.....	47
Cell Phone Use / Texting While Driving	48
Association's Right to Search	48
Driving for Association Business	49
Reporting Accidents.....	49
Drug-Free Workplace	50
Drug Use/Distribution/Possession/Impairment.....	50
Alcohol Use/Distribution/Possession/Impairment	50
Prescription and Over-the-Counter Drugs	50
Counseling and Rehabilitation	51
Emergency Evacuation.....	51
No Solicitation / Distribution of Literature	51
Smoke-Free Workplace.....	52
Use of Association Equipment and Resources.....	52
Parking	53
Employee Use of Amenities	53
Weapons in the Workplace.....	53
Work-Related Injuries or Illnesses	54
Workers' Compensation	54
Reporting Work-Related Injury or Illness.....	54
Leaves of Absence/Accommodation.....	54

Return to Work.....	54
Fraud	54
Acknowledgement and Receipt	55

General Information

Welcome

If you are new to Sudden Valley Community Association (hereinafter “The Association”), welcome! If you are a current employee, thank you! One of the keys to our success is hiring good employees. We have hired you because we believe you have the skills and the potential to help our Association succeed. We expect employees to perform the tasks assigned to them to the best of their abilities.

We are glad to have you join our team and hope that your employment will be mutually satisfying. Every employee has an important role in our operations, and we value the abilities, experience, and background that they bring with them.

If, at any time, an employee needs assistance or guidance, the employee should not hesitate to ask their supervisor or Human Resources.

About Our Association

The Sudden Valley Community Association (SVCA) is a private, planned residential development consisting of approximately 3,200 privately owned lots. Members, tenants and guests enjoy a variety of recreational services and amenities within the 1,576-acre community. An eleven-member Board governs the Association. The Board oversees the Association and sets policy for the nonprofit corporate entity, under the applicable laws of the state of Washington. The Board employs a General Manager to administer its policies and manage the Association. The General Manager serves at the discretion of the Board.

Purpose of Employee Handbook

This Employee Handbook contains information about the employment policies and practices of the Association. These policies reflect the Association's values, and we expect each employee to read this Employee Handbook carefully as it is a valuable reference for helping each employee understand their job and their employment with the Association.

This Employee Handbook supersedes all previously issued Employee Handbooks. Except for the policy of at-will employment, the Association reserves the right to revise, delete and add to the provisions of this Employee Handbook. All such revisions, deletions or additions must be in writing. No oral statements or representations can change the provisions of this Employee Handbook.

This Employee Handbook is not a contract and does not constitute an express or implied contract guaranteeing continued employment for any employee. No manager or supervisor has any authority to enter into a contract of employment - express or implied - that changes or alters the at-will relationship.

NOTE: Certain job classifications and policies at Sudden Valley Community Association are represented by General Teamsters Local Union No. 231. For staff covered by the collective bargaining unit, the Collective

Bargaining Agreement (CBA) is the sole source of information about working conditions, including wage and benefit matters. All employees – both union and management – should read and be familiar with the CBA.

Not all of the Association's policies and procedures are set forth in this Employee Handbook. We have summarized only some of the more important ones. If an employee has any questions or concerns about this Employee Handbook or any other policy or procedure, they should ask their supervisor, Human Resources or another member of management.

Nothing in this Employee Handbook or in any other document or policy is intended to violate any local, state or federal law. Nothing in this Employee Handbook is intended to limit any concerted activities by employees relating to their wages, hours or working conditions, including the right to communicate with others concerning wages, hours, benefits and other terms or conditions of employment; to self-organize, form join or assist labor organizations; to bargain collectively through representatives of the employees' choosing; to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; or to refrain from engaging in such activities, or any other conduct protected by Section 7 of the National Labor Relations Act (NLRA). Furthermore, nothing in this Employee Handbook prohibits an employee from reporting concerns, making lawful disclosures or communicating with any governmental authority about conduct the employee believes violates any laws or regulations.

The Association complies with applicable state and local laws.

The employee policies of the Association have been formally adopted by the Board of Directors of the Association. The General Manager is responsible for implementing the Board's policies.

Employment At-Will

Your employment with SVCA is on an "at-will" basis, either SVCA or the employee may terminate the employment relationship at any time with or without cause and with or without prior notice. with the exception of those employees covered by any other individual written employment contract.

Nothing in this Handbook or any oral statement will limit the right to terminate the at-will employment relationship. This at-will employment policy is the sole and entire agreement between the employee and the Association regarding the fact that employment with the Association is at-will. No manager or supervisor has any authority to enter into a contract of employment - express or implied - that changes the fact that employment with the Association is at-will. **Only the President of the Board of Directors or General Manager or their authorized representative has the authority to enter into an agreement that alters the at-will employment relationship and any such agreement must be in writing and signed by the President of the Board of Directors or General Manager or their authorized representative.**

Commitment to Diversity

Equal Employment Opportunity

The Association is an equal opportunity employer. In accordance with applicable law, we prohibit discrimination against any applicant or employee based on any legally protected characteristics, including, but not limited to: military status or status as an honorably discharged veteran; uniformed servicemember status; race (including

traits historically associated or perceived to be associated with race, such as hair texture and protective hairstyles, e.g., afros, braids, locks and twists); color; creed; religion; sex; marital status; sexual orientation; gender identity and expression; transgender status; age; pregnancy (including the potential to get pregnant, childbirth, lactation and related medical conditions); national origin or ancestry; citizenship or immigration status; physical, mental, or sensory disability (including the use of a trained dog guide or service animal); HIV/AIDS or hepatitis C status; status as an actual or perceived victim of domestic violence, sexual assault, or stalking; genetic information (including testing and characteristics) or any other category protected by federal, state or local law (collectively, “protected characteristics”). Our commitment to equal opportunity employment applies to all persons involved in our operations and prohibits unlawful discrimination by any employee, including supervisors and co-workers.

Any individual who believes that they or another individual have been subjected to discrimination in violation of this policy should report it pursuant to the Complaint Procedures described in the Association’s Sexual and Other Unlawful Harassment policy. If the Association determines this policy has been violated, appropriate disciplinary action, up to and including termination of employment, will be taken.

Retaliation is prohibited against any person by another employee or by the Association for reporting proscribed discrimination or for filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by a governmental enforcement agency. An individual should report any retaliation prohibited by this policy pursuant to the Complaint Procedures described in the Association’s Sexual and Other Unlawful Harassment policy. If a complaint of retaliation is substantiated, appropriate disciplinary action, up to and including termination of employment, will be taken.

Reasonable Accommodation

When a reasonable accommodation does not create an undue hardship on SVCA’s business, The Association provides reasonable accommodations for job applicants and employees:

- with disabilities, to enable them to apply for positions and to perform their essential job functions;
- with religious beliefs and practices that conflict with their job, work schedule or any company policy or practice on dress and appearance, or with other aspects of employment;
- for pregnancy, childbirth, related medical conditions, and lactation needs, including providing appropriate accommodations such as modified duties, schedule adjustments, or access to a private space for expressing milk; and
- any other reason to comply with federal, state, and/or local laws and ordinance.

Employees who have a disability, religious need or practice, or other status that affects their ability to meet job performance expectations must let us know, preferably in writing, using a Request for Reasonable Accommodations Form, as soon as possible. After receiving the initial request, the Association will initiate an interactive dialogue with the employee about their work limitations, functional capabilities (if applicable), and what reasonable accommodations may be appropriate.

Safety Accommodations for Victims of Domestic Violence, Sexual Assault or Stalking

The Association will provide reasonable safety accommodations for employees who are the actual or threatened victim of domestic violence, sexual assault or stalking and who request that the Association accommodate their

safety while at work, unless providing the accommodation would impose an undue hardship on the Association's business operations.

Reasonable accommodations may include, but are not limited to the following adjustments to job structure, the workplace or a work requirement in response to actual or threatened domestic violence, sexual assault or stalking:

- Transfer;
- Reassignment;
- Modified work schedule;
- Change in work telephone number;
- Change in work email address;
- Change in work station;
- Installed locks;
- Implemented safety procedures; or
- Other adjustments to job structure, workplace facilities or work requirements.

Employees may also be entitled to a leave of absence under the Association's Domestic Violence, Sexual Assault or Stalking Victim Leave policy and should consult Human Resources for additional information.

The Association may require verification that the employee or family member is a victim of domestic violence, sexual assault or stalking and that the requested accommodation is for the purpose of protecting the employee from domestic violence, sexual assault or stalking. Verification may be provided by the employee's written statement confirming these facts or by other appropriate documentation, such as a police report or court order, and must be provided in a timely manner. Employees will not be required to provide additional information beyond this required verification, or information that would compromise their safety or the safety of their family members.

The Association will maintain the confidentiality of all information employees provide regarding their request for a safety accommodation, including the fact that the employee or a family member is a victim and any written or oral statements, documentation or evidence provided by the employee in support of the accommodation request. The Association will not disclose such information unless the employee requests or consents to the disclosure, a court or administrative agency orders such disclosure or disclosure is otherwise required by applicable federal or state law.

The Association will not terminate, threaten to terminate, demote or otherwise discriminate or retaliate against an employee because the employee:

- Requests or uses an accommodation in accordance with this policy;
- Files or communicates to the Association an intent to file a complaint alleging a violation of Washington law requiring reasonable safety accommodations for domestic violence victims; or
- Participates or assists in another employee's attempt to exercise rights under the law.

Employees who have questions about this policy or who wish to request a reasonable accommodation under this policy should contact Human Resources.

Sexual and Other Unlawful Harassment

The Association is committed to providing a work environment that is free of harassment based on any legally protected characteristics. As a result, the Association maintains a strict policy prohibiting sexual harassment and harassment against any applicant or employee based on any legally recognized status, including, but not limited to: military status or status as an honorably discharged veteran; uniformed servicemember status; race (including traits historically associated or perceived to be associated with race, such as hair texture and protective hairstyles, e.g., afros, braids, locks and twists); color; creed; religion; sex; marital status; sexual orientation; gender identity and expression; transgender status; age; pregnancy (including the potential to get pregnant, childbirth, lactation and related medical conditions); national origin or ancestry; physical, mental, or sensory disability (including the use of a trained dog guide or service animal); HIV/AIDS or hepatitis C status; status as an actual or perceived victim of domestic violence, sexual assault, or stalking; genetic information (including testing and characteristics), citizenship or immigration status or any other status protected by federal, state or local law (collectively, “protected characteristics”).

The harassment proscribed by this policy applies to conduct by any person involved in our operations, including employees, supervisors, managers, temporary or seasonal workers, agents, clients, vendors, customers, or any other third party involved in the Association's operations, and this policy specifically prohibits conduct that creates or contributes to a hostile or offensive working environment for any Association employee or applicant based on protected characteristics. If such harassment occurs that an employee believes to be a violation of this policy, the procedures in this policy should be followed.

The Association prohibits unlawful harassment and sexual harassment, as well as proscribed conduct that does not rise to the level of being unlawful. This policy is not designed or intended to limit the Association's authority to discipline or take remedial action for conduct that violates this policy that the Association deems unacceptable, regardless of whether that conduct satisfies the definition of unlawful harassment, sexual harassment or retaliation.

Sexual Harassment Defined

Sexual harassment includes unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made a term or condition of employment; or
- Submission to, or rejection of, such conduct is used as a basis for employment decisions affecting the individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive working environment, even if the individual making the report is not the intended target of such conduct.

Sexual harassment also includes various forms of offensive behavior based on sex. The following is a non-exhaustive list of the types of conduct prohibited by this policy:

- Unwanted sexual advances or propositions (including repeated and unwelcome requests for dates).
- Offers of employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct: leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, posters, websites, emails or text messages.

- Verbal conduct: making or using sexually derogatory comments, innuendos, epithets, slurs, sexually explicit jokes or comments about an individual's body or dress, whistling or making suggestive or insulting sounds.
- Verbal and/or written abuse of a sexual nature, graphic verbal and/or written sexually degrading commentary about an individual's body or dress or sexual experiences, sexually suggestive or obscene letters, notes, invitations, emails, text messages, tweets or other social media postings.
- Physical conduct: unwelcome or inappropriate touching, physical violence, intimidation, assault or impeding or blocking normal movements.
- Hostile actions taken against an individual because of that individual's sex, sexual orientation, gender identity or the status of being transgender, such as:
 - o Interfering with, destroying or damaging a person's workstation, tools or equipment, or otherwise interfering with the individual's ability to perform the job;
 - o Sabotaging an individual's work; and
 - o Bullying, yelling, or name-calling.
- Retaliation for making reports or threatening to report sexual harassment.

Sexual harassment can occur regardless of the gender of the person committing it or the person who is exposed to it. Harassment on the basis of sexual orientation, self-identified gender, perceived gender or transgender status are all forms of prohibited sexual harassment.

Other Types of Harassment

Harassment on the basis of any legally protected status is prohibited, including harassment based on any other status protected by federal, state or local law. Prohibited harassment may include behavior similar to the illustrations above and may also include, but is not limited to:

- Verbal conduct including taunting, jokes, threats, epithets, derogatory comments or slurs based on an individual's protected characteristics;
- Visual and/or written conduct including derogatory posters, photographs, calendars, cartoons, drawings, websites, emails, text messages or gestures based on an individual's protected characteristics; and
- Physical conduct including assault, unwanted touching or blocking normal movement because of an individual's protected characteristics.

Protection Against Retaliation

Retaliation is prohibited against any person by another employee or by the Association for using the Complaint Procedures provided below; reporting proscribed discrimination, harassment, sexual harassment or retaliation; objecting to such conduct; or filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by a governmental enforcement agency. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit.

Individuals who believe they have been subjected to retaliation, or believe that another individual has been subjected to retaliation, should report this concern pursuant to the Complaint Procedures in this policy. Any report of retaliatory conduct will be investigated in a thorough and objective manner. If a report of retaliation prohibited by this policy is substantiated, appropriate disciplinary action, up to and including termination of employment, will be taken.

Complaint Procedures

Any individual who believes that they or another individual has been subjected to discrimination, sexual harassment, any other form of prohibited harassment or retaliation should, as soon as possible, report it to their manager or supervisor, another member of management, or Human Resources. Complaints can be made orally or in writing. Employees are not required to report any prohibited conduct to a supervisor or manager who may be hostile, who has engaged in such conduct, who is a close associate of the person who has engaged in such conduct or with whom the employee is uncomfortable discussing such matters.

Any supervisor or manager who receives a complaint of harassment, sexual harassment, or retaliation or receives information about such conduct must immediately report it to Human Resources.

Employees are encouraged, but not required, to communicate to the offending person that their conduct is offensive and unwelcome. Individuals who observe any behavior directed at others that may violate this policy are encouraged to take reasonable action to defuse such behavior, if possible, such as intervening directly, alerting a supervisor or Human Resources to assist or making a report under this policy. Physical confrontation, violence or assault is not an appropriate method of intervention. The intervening person must act in accordance with the Association's policies.

Investigation

After a report is received, or the Association otherwise has reason to believe discrimination, prohibited harassment or retaliation is occurring, a timely, thorough and objective investigation by the Association will be undertaken. The Association will maintain confidentiality surrounding the investigation to the extent possible, consistent with a thorough and objective investigation, and to the extent permitted or required under applicable law, and related information will only be shared with others on a need-to-know basis.

Once the investigation is completed and a determination is made, the complaining party will be advised that the investigation has been completed and may be informed of the resolution. The Association complies with the law in conducting investigations and expects that employees will cooperate with an investigation, except when voluntary compliance with an investigation is being requested. Employees are expected to provide truthful information when participating in an investigation.

If the Association determines that this policy has been violated, including if a supervisor or manager knowingly allows the policy to be violated without reporting it, prompt remedial action will be taken, up to and including termination of employment.

Good Faith Reporting

The initiation of a good faith complaint of discrimination, prohibited harassment, sexual harassment or retaliation will not be grounds for disciplinary or other retaliatory action, even if the allegations cannot be substantiated or the employee was mistaken about aspects of the complaint. Any individual who makes a complaint that is demonstrated to be intentionally false may be subject to discipline, up to and including termination.

General Employment Practices

Seniority

As described in the Union CBA applies to all nonexempt employees and refers to how this applies in cases of offered overtime and possible lay-offs during employment with the Association.

Employee Classifications

Employees of the Association are classified as either exempt or nonexempt under federal and state wage and hour laws, and are further classified for administrative purposes.

The following designations are used throughout this Employee Handbook.

Employees will be informed whether their status is exempt or nonexempt and should consult their supervisor or Human Resources with any questions or concerns regarding this status.

Exempt Employees

Exempt employees are employees whose job assignments meet specific tests established by the federal Fair Labor Standards Act (FLSA) and state law and who are exempt from minimum wage and overtime pay requirements. Exempt employees are compensated on a salary basis.

Nonexempt Employees

Nonexempt employees are employees whose job positions do not meet FLSA or applicable state exemption tests, and who are not exempt from minimum wage and overtime pay requirements. Nonexempt employees are eligible to receive overtime pay for hours worked in excess of 40 hours in a given week, or as otherwise required by applicable state law.

Full-Time Employees

Full-time employees are those who are normally scheduled to work and who do work a schedule of 30 or more hours per week.

Part-Time Employees

Part-time employees are those who are normally scheduled to work and who do work fewer than 30 hours per week. Part-time employees may be assigned a work schedule in advance or may work on an as-needed basis.

Temporary/Seasonal Employees and Employees Who Are Property Owners

Temporary, also known as Seasonal employees, are those who are employed for short-term assignments. Temporary employees are generally hired to temporarily supplement the workforce or assist in the completion of a specific project. These temporary employment assignments are of limited duration and are defined as

employees who work no more than eight (8) months during a calendar year, and have no expectation of continued employment beyond eight (8) calendar months.

Temporary employees are not eligible for employee benefits, except as required by applicable law, and may be classified as exempt or nonexempt on the basis of job duties and compensation. Per contractual agreement with the Employment Placement Agencies, workers are required to work a set number of hours (usually 720) under the agency's employ before becoming employed by SVCA.

It is the policy of SVCA that members (property owners) of the SVCA may be employed by SVCA. Community members are subject to the same selection processes and policies and procedures as all other employees and shall not receive any special consideration.

Access to Personnel Files

Employees may inspect their personnel file in the presence of a representative of The Association. Please contact Human Resources to schedule a time. Employees may not be allowed to view investigation records or any letters of reference prepared or collected by management. Employees will be provided access to personnel records in accordance with applicable state law.

Only authorized members of management and Human Resources have access to an Employee's personnel file. However, The Association will cooperate with - and provide access to an Employee's personnel file to - law enforcement officials or local, state, or federal agencies in accordance with applicable law.

Pre-Employment Background Checks

~~The Association reserves the right to investigate an individual's prior employment history, personal references, and educational background, as well as other relevant information. Consistent with legal or contractual requirements, the Association also reserves the right to obtain and review an applicant's or an employee's criminal conviction record and related information, and to use such information when making employment decisions, but only to the extent permissible under applicable law.~~

~~The Association recognizes the importance of maintaining a safe, secure workplace with employees who are qualified, reliable, and nonviolent, and who do not present a risk of serious harm to coworkers or others. To promote these concerns and interests, the Association may investigate an individual's prior employment history, personal references, educational background, and other relevant information. Where permitted by law and consistent with legal or contractual requirements, the Association may also conduct background checks, including obtaining and reviewing criminal conviction information, but only to the extent permissible under applicable law.~~

~~The Association will comply with the Washington Fair Chance Act, including to not include criminal history questions on initial applications, not to advertise positions in a way that excludes individuals with criminal records, and will not inquire about or obtain an applicant's criminal history (including through a criminal history background check) until after the applicant is determined to be otherwise qualified and a conditional offer of employment has been made. If an applicant voluntarily discloses criminal record information before a conditional offer (without solicitation), the Association will provide any notices and resources required by Washington law. The Association will comply with applicable federal, state, and local laws governing background checks and privacy, including the federal Fair Credit Reporting Act (FCRA) and required notices before taking adverse action based on a consumer report.~~

Employment Eligibility and Work Authorization

The Association is committed to employing only individuals who are authorized to work in the United States and who comply with applicable immigration and employment law. As a condition of employment, every individual must provide satisfactory documentation of their identity and employment authorization to work in the United States within three business days after their first day of commencing employment. If the employee cannot verify their right to work in the United States within three business days after their first day of employment, the Association will be required to terminate their employment immediately.

Performance Reviews

Performance evaluations are generally scheduled once a year or upon a change in assignments; however, supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis.

A positive performance review does not guarantee a salary increase or a promotion. These decisions are made at the discretion of the Association and depend on a number of factors in addition to an employee's individual performance.

We reserve the right to make any personnel changes (including termination) before or after performance evaluations.

Employees covered under the CBA should review Article 22.03 for more information regarding Employee Development and Performance Management for bargaining employees.

Progressive Discipline

The SVCA may at its sole discretion elect to in a particular case follow a progressive discipline approach in addressing performance and conduct issues by taking the following steps:

- 1) A verbal warning may be issued for a specific violation.
- 2) If the violation or additional discrepancies persist, the employee may receive a written warning, a copy of which will be placed in the employee's personnel file.
- 3) An employee who fails to correct such conduct may be subject to suspension without pay, reduction in pay and/or position or termination of employment.
- 4) Major misconduct or serious violation of law or policy may warrant immediate termination, depending on the specifics of a given case.

Employees covered under the CBA should review Article 19.

SVCA reserves the right to skip or ignore progressive discipline entirely or any or all steps at its sole discretion, based on its assessment of the circumstances. SVCA's provision of this Progressive Discipline Policy does not alter the employment at-will doctrine. SVCA and its employees each remain free to end their employment relationship at any time with or without cause and with or without notice.

Justifiable Deviation

SVCA recognizes that sometimes established policy or procedures may not adequately address all situations. In some cases, deviation from established policy may be justified to meet the special circumstances encountered by an employee. Employees accused of wrong doing may claim the opportunity to present justification for an action which would otherwise be judged as misconduct. Acceptance of the deviation and justification shall be at the sole discretion of the General Manager.

Personal Data Changes

Employees must promptly notify Human Resources of any changes to their name, address, phone number, marital status, dependents, next of kin, or beneficiaries. Keeping this information current ensures accurate records for payroll, benefits, and emergency contact purposes.

Reference Checks

So that the Association can handle requests for job references in a consistent, fair and lawful manner, all requests for official job references on behalf of the Association should be forwarded to the Office Manager or General Manager. In response to job reference requests, the Association will only confirm current or former employees' dates of employment and job title. If an employee or former employee submits written authorization, the Association will also provide information regarding salary or wage history.

Romantic and Family Relationships at Work

We will not take any adverse employment action against any employee for engaging in romantic relationships during nonworking hours away from Association premises. However, we will consider such relationships when they affect an employee's job performance, occur during working time, occur on Association premises or pose a danger of a conflict of interest.

A familial or intimate relationship among employees can create an actual, potential or perceived conflict of interest in the employment setting, especially if one relative, spouse, partner or member of such a relationship, supervises another relative, spouse, partner or member. To avoid this problem, we may refuse to hire or place a relative or other intimately associated individual in a position where the potential for favoritism or a conflict exists.

If two employees marry, become related or enter into an intimate relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. In other cases where a conflict or the potential for a conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment, at the discretion of the Association.

For the purposes of this policy, a "relative" is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage (e.g., domestic partnership or civil union status).

Voluntary Open-Door Policy

We recognize that employees may have suggestions for improving our work environment, as well as complaints about the work environment. Employees should feel free to contact their supervisor with any suggestions and/or complaints. If employees do not feel comfortable contacting their supervisor or are not satisfied with their supervisor's response, they should contact Human Resources.

While we provide employees with this opportunity to communicate their views, please understand that not every complaint can be resolved to the employee's satisfaction. Even so, we believe that open communication is essential to a successful work environment, and all employees should feel free to raise issues of concern without fear of reprisal.

Please note that some Association policies, such as the Sexual and Other Unlawful Harassment policy, contained herein, contain specific reporting procedures that should be followed by employees seeking to report violations of those policies. Employees should utilize this policy for reports and ideas that are not addressed through the Association's specific reporting procedures.

Workplace Conduct

Attendance and Punctuality

Employees are expected to be regular in attendance and to be punctual. Any tardiness or absence causes problems for fellow employees and supervisors. If employees are absent, their workload must be performed by others, just as they must assume the workload of others who are absent. To limit problems caused by employee absences or tardiness, we have adopted the following policy that applies to absences not previously approved by the Association.

Employees are expected to report to work as scheduled, be on time and be prepared to start work. Employees are also expected to remain at work for their entire work schedule, except for meal or break periods, or when required to leave on authorized Association business or otherwise authorized to leave. Non-approved late arrivals, early departures or other absences from scheduled hours are disruptive and must be avoided.

If employees are unable to report for work on any particular day, they must call their supervisor at least **two** hour(s) or more according to their work department, or as soon as practical, before the time the employee is scheduled to begin working for that day.

Snow Removal/Maintenance Employees: At least 2-4 hours before the scheduled shift, or as soon as weather conditions are known, to ensure timely coverage for weather-dependent tasks.

Administration Office Employees: No later than 1-2 hours before the start of the workday, allowing for adjustments in office operations.

Golf Pro Shop Employees: At least 2-3 hours before the shift begins, to arrange staffing for customer-facing services.

Recreation Center and Pool Employees: At least 2-3 hours before the shift, ensuring safety and operational staffing levels are maintained.

Golf Course Turf Care Employees: At least 2-4 hours before the scheduled start time, to coordinate grounds maintenance and equipment use.

The Association may inquire about the general reason for an absence or tardiness. Unless extenuating circumstances exist, employees must call in on each and every day they are scheduled to work but will not report to work.

Excessive absenteeism or tardiness may result in disciplinary action up to and including termination of employment, unless the absence or tardiness is legally protected. The following types of time off will not be considered grounds for disciplinary action under this policy:

- Excused time off, including vacation and other forms of paid time off;
- Sick leave provided under a mandatory sick leave law;
- Approved leaves of absence, including jury duty leave, military leave, leave protected under the Family and Medical Leave Act or similar state laws, and time off or leave provided under the Americans with Disabilities Act or similar state laws; and/or
- Time off due to a work-related injury that is covered by workers' compensation.

Each situation of absenteeism or tardiness will be evaluated on a case-by-case basis. Even one unexcused absence or tardiness may be considered excessive, depending upon the circumstances. However, the Association will not subject employees to disciplinary action or retaliation for an absence or for tardiness that is legally protected. An employee who believes that their absence or lateness to work is legally protected should notify their manager of this fact at the time of the absence or tardiness. Employees will not be required to reveal the nature of any underlying medical condition. If an employee believes they have been mistakenly subject to disciplinary action for an absence or for tardiness that the employee believes is legally protected, the employee should promptly discuss the matter with their manager or Human Resources.

Absent extraordinary circumstances or a legally protected reason, if employees fail to report for work without any notification to their supervisor and their absence continues for a period of three consecutive days, the Association will consider that the employee to have abandoned and voluntarily terminated their employment.

Employees covered under the CBA should review Article 19 for more information regarding Discipline for bargaining employees.

Confidential Association Information

The Association's confidential and proprietary information is vital to its current operations and future success. Each employee should use all reasonable care to protect or otherwise prevent the unauthorized disclosure of such information.

In no event should employees disclose or reveal confidential information within or outside the Association without proper authorization or purpose.

"Confidential information" refers to a piece of information, or a compilation of information, in any form (on paper, in an electronic file, or otherwise), related to the Association's business that the Association has not made public or authorized to be made public, and that is not generally known to the public through proper means.

Confidential or proprietary information includes, but is not limited to, non-public information regarding the Association's business methods and plans, databases, systems, technology, intellectual property, know-how, marketing plans, business development, products, services, research and development, inventions, financial statements, financial projections, financing methods, pricing strategies, customer sources, employee health/medical records, system designs, customer lists and methods of competing.

Additionally, employees who have the following information by virtue of the performance of their job responsibilities should not disclose such information for any reason, except as required to complete job duties, without the permission of the employee at issue: Social Security Numbers, driver's license or resident identification numbers, financial accounts, credit or debit card numbers, and security and access codes or passwords that would permit access to medical, financial or other legally protected information.

Confidential information does not include information lawfully acquired by non-management employees about wages, hours or other terms and conditions of employment, if used by them for purposes protected by Section 7 of the National Labor Relations Act, such as joining or forming a union, engaging in collective bargaining, or engaging in other concerted activity for their mutual aid or protection. Confidential Information also does not include: conduct that was, or that an employee reasonably believes to be, illegal; conduct that is recognized as against a clear mandate of public policy; or the existence of a non-confidential settlement involving any such conduct.

Nothing in this Employee Handbook prohibits an employee from communicating with any governmental authority or making a report in good faith and with a reasonable belief of any violations of law or regulation to a governmental authority, or disclosing confidential information that the employee acquired through lawful means in the course of their employment to a governmental authority in connection with any communication or report, or from filing, testifying or participating in a legal proceeding relating to any violations, including making other disclosures protected or required by any whistleblower law or regulation to the Securities and Exchange Commission, the Department of Labor, or any other appropriate government authority.

Further, employees are hereby notified that, under the 2016 Defend Trade Secrets Act (DTSA):

- No individual will be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act) that:
 - o Is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or
 - o Is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and
- An individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by order in that proceeding.

Conflicts of Interest

While we acknowledge that employees may have pursuits separate from their work at the Association, such endeavors cannot compete with or conflict with an employee's job duties and responsibilities at the Association. To further explain an employee's obligations to avoid conflicts of interest, a conflict of interest may arise, for instance, when an employee has a financial or other interest that could interfere with the employee's job duties with the Association or when an employee uses their position with the Association for personal gain. Each

employee of the Association is required to ensure that they and their family members do not improperly benefit personally from the employee's position as an employee for the Association.

Employees must conduct themselves in such a way as to avoid actual or potential conflicts of interest, as set out in this policy. The following are examples of prohibited conflicts of interest in any aspect of an employee's job:

- Acting as a director, officer, consultant, agent or employee of a supplier, customer, competitor or other business entity that engages in business with the Association;
- Owning a material interest in, being a creditor of or having other financial interest in a supplier, customer, competitor or other business entity that engages in business with the Association;
- Receiving from or giving to any supplier, customer or competitor gifts, gratuities, special allowances, discounts or other advantages not generally available to employees of the Association unless the General Manager approves of the gift or gratuity in advance, or; the gift of gratuity is made as a holiday gift and is less than \$25.00 in value, or;
- Having any significant direct or indirect personal interest in a business transaction involving the Association, or;
- Conducting outside activities that materially detract from or interfere with the full and timely performance of an employee's services for the Association; or
- Influencing commercial transactions involving purchases, contracts or leases in a way that would have a negative impact on the Association or its business.

If an employee finds that they have, or are considering the assumption of, a financial interest, an outside employment relationship or other activity that might involve a conflict of interest, as discussed in this policy, or if the employee is in doubt as to whether any conduct or activity may constitute a conflict of interest, the employee must promptly discuss the matter with Human Resources and refrain from acting on the Association's behalf in any manner that might reasonably be considered to be a conflict of interest or affected by any adverse interest. If the matter is deemed to be a conflict of interest, the affected employee must withdraw from the matter.

Failure to disclose a conflict or potential conflict of interest is a violation of this policy and may lead to disciplinary action, up to and including termination of employment.

This policy in no way prohibits employee affiliations, activities or communications that are protected under applicable state and federal laws, including but not limited to any activity that is protected under Section 7 of the National Labor Relations Act, which includes the right of employees to organize collectively and to speak with others about their terms and conditions of employment.

Grievances and Complaints

From time to time, disagreements, issues, problems or grievances may arise within any organization. Employees may disagree with or have a concern, complaint or grievance with the application of the SVCA rules of conduct, policies or practices, or with a decision that has been made or the manner by which the employee has been treated during employment with the SVCA. In such cases, employees may address such conflicts in one of two manners that are acceptable to the SVCA:

- **Informal Resolution:** An employee who has a minor concern or issue with something that has occurred that affects him or her, or another employee or person, is encouraged to informally address the concern with any Supervisor throughout the organization as these are considered informal conversations. Organizational Supervisors shall not decline these onetime requests as the organization desires to bring

these issues to resolution. Open communication fosters the avoidance of generating gossip, dissention, or disharmony and nurtures a positive working environment.

- **Performance Documentation:** Discussions relating to on-the-job conduct, performance or behavior may result in appropriate notations to an employee's performance evaluation file as documentation of performance for the current evaluation period.
- **Formal Resolution:** An employee with a serious concern, complaint or grievance with something that has occurred and that affects him or her, or another employee or person, may believe it is necessary and/or important to have the concern, complaint or grievance addressed in an official and formal manner. In such cases, the complaining employee shall contact his or her manager for a private meeting, at which he or she will provide an explanation of his or her complaint or grievance. Such explanation may be delivered in either verbal or written form. If given verbally, the manager will take sufficient notes to document the employee's concern or complaint. Such matters will be treated formally, requiring the notification and involvement of the General Manager.

Exceptions: If an employee's complaint is against the employee's supervisor, the employee will contact the next manager in the chain of command. If the employee is not comfortable with that contact, the employee will contact either the Office Manager, or the General Manager.

Retaliation Prohibited: An employee making a complaint or grievance will be protected from any retaliation. Employees making such complaints or grievances are required to ensure that such complaints are made in an honest, reasonable and appropriate manner and that all information provided is factual and truthful.

Employees covered under the CBA should review Article 20 for more information regarding Settlement of Disputes for bargaining employees.

Contact With the Media

To ensure that the Association communicates with the media in a consistent, timely and professional manner about matters related to the Association, employees should notify the General Manager or his/her designated Public Information Official whenever they are contacted by the media and asked to speak on behalf of the Association so that the Association knows that a media inquiry has been made. Do not respond to media inquiries on the Association's behalf without authorization. This rule does not prevent employees from speaking with the media, but they should not attempt to speak on behalf of the Association unless they have specifically been authorized to do so by an officer of the Association.

Outside Employment

The Association values employees' ability to pursue personal interests and activities outside of work, provided these do not interfere with their job performance or create conflicts of interest as outlined in the Conflicts of Interest policy. We encourage a healthy work-life balance and respect privacy, but employees must ensure their external commitments align with their responsibilities to the Association.

Employees may engage in outside activities, including secondary employment or self-employment, as long as the following expectations are met:

- **Acceptable Activities:**
 - o Occur outside of scheduled work hours and do not rely on Association resources (e.g., tools, materials, or equipment).

- o Enhance or maintain skills without compromising job performance or organizational loyalty.
- o Do not compete with or undermine the Association's mission, operations, or interests.
- **Unacceptable Activities:**
 - o Outside employment or activities that conflict with the employee's work schedule, duties, or responsibilities.
 - o Commitments that negatively impact the employee's productivity, attendance, or ability to meet Association standards.
 - o Work conducted during Association time or using Association property.
 - o Roles with competitors or entities whose interests oppose the Association's goals.

If an employee's outside activities begin to impair their job performance or prevent them from fulfilling their duties, the Association may take appropriate disciplinary action, up to and including termination, following a fair review process. Employees are encouraged to consult with Human Resources or the General Manager if unsure whether an activity aligns with this policy.

The Association does not assume liability for outside employment, including workers' compensation or benefits for injuries sustained outside of Association duties."

Key and ID Card Control

Keys and ID cards are SVCA's property and may be issued to employees to facilitate the performance of his or her duties. A record of such items shall be kept in the employee personnel file and the employee's supervisor or General Manager shall require the return of such items at any time including, but not limited to, the end of the employment relationship. It is the responsibility of the Department Manager to ensure that the Security Department check-in and check-out all staff door keys.

Assignment of Access Cards: Many employees will be issued an access ID card that allows for electronic access to particular facilities without the use of a door key. Depending on the department to which the employee is assigned and responsibilities of the employee, the appropriate access level will be granted. It shall be the responsibility of the Department Manager and Office Manager to ensure that employees requiring access cards are given the appropriate level of access. All access ID cards shall be returned to Administration upon termination of the employment relationship. Should the ID card ever become lost or unavailable upon termination, the Department Manager shall ensure that the Office Manager is notified immediately to replace the card, or deactivate it.

Key Security: The security of keys is essential and under no circumstances should an employee permit any other person, including any other employee, to borrow or use his or her keys without specific approval of the appropriate Department Manager.

Personal Appearance

Employees are expected to maintain a professional, safe, and appropriate appearance that reflects the nature of their role, ensures personal and coworker safety, and supports positive interactions with the public. Good judgment, cleanliness, and comfort should guide grooming and attire choices. The following standards apply:

- **Clothing:** Must be clean, in good condition, and suitable for the position. Attire should not pose a safety hazard. Jeans are permitted where appropriate to the role, provided they are free of rips or excessive wear. Inappropriate items include tank tops, t-shirts, jogging suits, sweatpants, flip-flops, slippers, and revealing garments, unless specifically authorized for the job.

- **Grooming:** Employees should maintain a neat and hygienic appearance. Facial hair, whether clean-shaven or grown out, must be well-kept and trimmed.
- **Jewelry and Accessories:** Should not interfere with safety or job duties. Restrictions may apply based on position-specific requirements.

Employees unsure about these expectations should consult their supervisor to ensure alignment with workplace standards and safety needs."

Employees who report to work in a manner that violates this policy may be instructed by their supervisor to return home to change. The time that nonexempt employees are absent for this purpose will be unpaid unless state law requires otherwise.

Nothing in this policy is intended to prevent employees from wearing a hair or facial hair style that is consistent with their cultural, ethnic or racial heritage or identity. This policy will be interpreted to comply with applicable local, state or federal law.

Religious, Medical and Disability Accommodations

The Association will reasonably accommodate an employee's religious beliefs, medical condition or disability by making exceptions to this policy. Employees who need such an accommodation should contact their supervisor or Human Resources.

Personal Electronic Devices

Although the Association permits employees to bring personal electronic devices, including cellular phones, smartphones and personal digital assistants, into the workplace, employees are expected to remember that working time is for work.

Therefore, employees should only use personal electronic devices (such as engaging in personal phone calls) during nonworking time, including meal and rest breaks. Outside of this time, personal devices should be kept to a minimum and for emergencies only.

Reporting and Anti-Retaliation Policy

We encourage all employees to promptly report any concerns or potential violations of our policies, laws, or best practices. Reports can be made in good faith to your supervisor, Office Manager/Human Resources, General Manager, or President/Board of Directors. Confidentiality will be maintained as much as possible, and all reports will be taken seriously and investigated appropriately.

Retaliation against anyone who raises concerns or participates in investigations is strictly prohibited and may result in disciplinary action, up to termination. Retaliation includes threats, intimidation, changes to employment terms, or exclusion. Employees may also report concerns to external agencies (such as the EEOC, NLRB, or SEC) and participate in investigations without fear of retaliation. Please note that knowingly false or malicious reports are not protected under this policy.

Social Media

This policy governs employee use of social media, including any online tools used to share content and profiles, such as personal web pages, message boards, networks, communities, and social networking websites, apps, and blogs, including, but not limited to, Facebook, X (formerly Twitter), LinkedIn, Instagram, and Reddit. The lack of explicit reference to a specific site or type of social media does not limit the application of this policy.

The Association respects the rights of all employees to use social media. However, because communications by Association employees on social media could, in certain situations, negatively impact business operations, customer relations, or create legal liability, it is necessary for the Association to provide these guidelines. These guidelines are intended to help employees understand the types of conduct that are prohibited. This policy will not be interpreted or applied to interfere with the rights of Employees to speak with others, engage in debates and protest about their terms and conditions of employment, or any other conduct protected by Section 7 of the National Labor Relations Act (NLRA). Employees have the right to engage in or refrain from such activities.

Please refer to the SVCA Confidentiality and Social Media Policy for additional information.

Standards of Conduct

The Association expects employees to follow basic, common-sense rules of conduct that will protect everyone's safety and security.

It is not possible to list all forms of behavior that are considered unacceptable in the work environment. To guide employees, we are providing some examples of possible forms of behavior that are considered unacceptable and may lead to disciplinary action, including termination of employment, in the discretion of the Association. The following list is not all-inclusive:

- Falsification of employment records, employment information or other records or work-related information of the Association;
- Recording the work time of another employee, allowing any employee to record another employee's work time, or allowing falsification of any time report, whether yours or another employee's;
- Theft or the deliberate or careless damage of any Association property or the property of any employee, client, contractor or visitor;
- Use of Association materials, supplies, tools or products for personal reasons without advanced permission from management;
- Violation of the Association's Electronic Resources and Use of Association Equipment and Resources policies, including sending personal emails during working time;
- Provoking a physical fight or engaging in physical fighting in the work environment, during working hours, at a work event or on premises owned or occupied by the Association;
- Carrying firearms, weapons or dangerous substances at any time, on premises owned or occupied by the Association, unless otherwise permitted by applicable law;
- Using violent, threatening or unlawfully harassing language at any time in the work environment, during working hours or while on premises owned or occupied by the Association;
- Absence of three consecutive scheduled workdays without prior notice to the Association;
- Making knowingly false statements concerning the Association or any employee, client, contractor or visitor;

- Failing to obtain permission from your Department Manager, the Office Manager or the General Manager to leave work or be offline during scheduled working time (not including legally required meal and rest breaks) unless the reason is legally protected;
- Failing to observe work schedule requirements, including meal and rest breaks;
- Abusing or misusing paid sick leave. **Note:** For employees subject to mandatory sick leave laws, the provisions of the applicable policy govern sick leave issues;
- Working overtime without authorization or refusing to work assigned hours;
- Violating any policy, rule or procedure of the Association;
- Failure to demonstrate immediate and consistent improvement in poor work performance;
- Engaging in discussions or acts of violence against any employee, client, contractor or visitor;
- Conduct that is physically injurious or threatening towards any employee, client, contractor or visitor;
- Refusal to perform assigned duties as requested by a manager or supervisor unless unsafe or contrary to Association policies or procedures;
- Use, consumption or possession of intoxicating beverages or illegal drugs on the Association premises, during working hours, at a work event or otherwise in violation of the Association's Drug-Free Workplace Policy; and
- Discrimination or harassment in violation of the Association's Equal Employment Opportunity (EEO) or Sexual and Other Prohibited Harassment Policies and any additional policies prohibiting discrimination, harassment and sexual harassment in the employee handbook, against any employee, client, contractor, visitor or other individual involved in the operations of the Association based upon race, religion, age, sex, national origin, disability or any other protected characteristic under applicable federal, state or local law.

The Association upholds a zero-tolerance approach regarding fraud and corruption. The Association will identify and promptly investigate any suspected fraudulent or related dishonest activity against the Association or other parties with whom the Association has dealings. The Association will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities for prosecution.

All employees must report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any employee, Board member, contractor, vendor, or any other party with an association with SVCA. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.

Please note this list is not all-inclusive and the Association may take disciplinary action to address other types of conduct, or performance issues or rule violation in its sole discretion. The Association reserves the right to determine which type of disciplinary action to issue an employee. This statement of prohibited conduct does not alter or limit the policy of at-will employment, where applicable. Either the employee or the Association may terminate the employment relationship at any time for any reason, with or without cause, and with or without notice.

Employees covered under the CBA should review Article 19 for more information regarding Discipline for bargaining employees.

This policy in no way prohibits employee affiliations or activities that are protected under applicable local, state and federal laws, including but not limited to any activity that is protected under Section 7 of the National Labor Relations Act (NLRA), which includes the right of employees to organize collectively and to speak with others about their terms and conditions of employment.

Use of Generative AI Tools

The Association recognizes the growth in and use of generative artificial intelligence (AI) tools. Generative AI tools are computer technology with the ability to simulate human intelligence to analyze data to reach conclusions about, find patterns, and predict future behavior. These tools also learn from data and adapt to perform certain tasks better over time. Examples include, but are not limited to, ChatGPT, Bing AI, Google Gemini, and Copilot. The unknown nature of generative AI tools raises questions about their use in the workplace. The Association prioritizes security, confidentiality, data privacy, and protection of its intellectual property as well as promoting a workplace free of discrimination and harassment. Any use of generative AI Tools under this policy must comply with the relevant policies, internal controls, and guidelines of the Association.

Due to the degree of risk in using generative AI tools, the Association requires employees, independent contractors, and third parties who use generative AI tools on behalf of the Association to comply with the following restrictions:

- 1) Employees, independent contractors, and third parties may not input sensitive, confidential, or proprietary information of the Association, its clients, vendors, independent contractors, or any other party in a generative AI tool. Employees must protect any personal or confidential information in accordance with the Association's data protection and confidentiality policies and in accordance with applicable laws.
- 2) Generative AI should not be used to generate or output any code without prior approval from the General Manager or the IT Department.
- 3) Generative AI tools should not be used to generate false or defamatory content or other content that violates ethical standards or applicable law.
- 4) Generative AI tools should not be used to replicate or modify existing content without permission from the original owner and without prior approval from the General Manager and legal counsel.
- 5) Generative AI tools should not be used to record or transcribe meetings. If there is a need for recording or transcribing, employees must obtain prior approval from the General Manager and all parties to the meeting being recorded or transcribed.

Employees should report any issues or concerns related to this policy and the use of generative AI tools to their supervisor and the IT and Human Resources Departments immediately.

Violations of this Policy may result in disciplinary action, up to and including separation of employment.

Termination of Employment

The following is deemed to be a voluntary resignation of employment:

1. An employee's written or oral resignation. Supervisors are required to document an employee's oral resignation, documenting date, time, those present and exact wording provided.
2. Failure to report to work for three (3) consecutive days without prior notification
3. Walking off the job.

Supervisors are required to document the circumstances of employee's departure, working conditions and jobs being performed, document date, time, and those present and the statement from the employee.

Resignation: Employees are asked to provide at least two (2) weeks' notice to SVCA, (or longer if by written agreement with SVCA) of an employee's intent to voluntarily terminate employment.

Employees who resign are requested to submit a letter of resignation to the General Manager through his or her Department Manager stating the reasons for resignation.

Each employee must return SVCA property which includes, but is not limited to, employee ID and charge cards, amenities access key, facilities keys, tools, uniforms, equipment, etc. upon demand but, in no event, later than his or her last day of employment.

Failure to Report or Abandonment: Any employee who fails to report to work for three (3) consecutive days without proper notification and/or approval, or who walks off the job, regardless of whether a letter of resignation is submitted, shall be deemed to have voluntarily resigned from SVCA.

Employees covered under the CBA should review Article 19 for more information regarding Discipline for bargaining employees.

Return of Resources

Employees are responsible for the timely surrender and return of any and all SVCA property and resources upon request, demand or at the end of the employment relationship.

All SVCA ID cards, keys, tools, equipment, vehicles, uniform, safety gear, books or documents must be surrendered on demand and upon termination of employment.

Recovery: The SVCA may initiate reasonable action to recover its property from former employees who fail to return said property, where it is deemed necessary and practical to do so.

Exit Interview

Any employee leaving the Association's employ may be asked to participate in an exit interview. Exit interviews will normally be conducted by the Office Manager or another person designated to conduct the interview by the General Manager.

One purpose of the interview is to determine the reasons for termination and to resolve any questions of compensation, return of SVCA property or other matters relating to termination. The interview may also provide useful information for management regarding employment training, communications, morale, and potential problem areas. SVCA continuously evaluates employment relations in order to provide a positive and healthy work environment to all its employees. Employee comments, based on first-hand experience, can be extremely helpful.

Time Off and Leaves of Absence

Bereavement Leave

Employees may take up to three days of paid time off to attend the funeral and make any necessary arrangements due to the death of an immediate family member, except where allowed additional time off for bereavement under applicable state law. "Immediate family members" consist of the employee's spouse, domestic partner, children, siblings, parents, grandparents, grandchildren; or the children, siblings or parents of the employee's spouse or domestic partner.

Employees must notify their Department Manager as soon as possible if they need to take bereavement leave. Approval of bereavement leave will occur in the absence of unusual Association operating requirements. Any employee may, with their supervisor's approval, use any available paid leave for additional time off beyond three days, as necessary.

Civil Air Patrol Leave

Employees who are members of the Washington wing of the Civil Air Patrol may take time off, without pay, to provide services as part of an emergency service operation. For purposes of this policy, an "emergency service operation" refers to:

- A search and rescue mission designated by the air force rescue coordination center;
- Disaster relief, when requested by the Federal Emergency Management Agency (FEMA) or the Department of Homeland Security (DHS);
- Humanitarian services, when requested by FEMA or DHS;
- United States air force support designated by the first air force; and
- Counterdrug missions.

Employees may be asked to provide verification that leave was taken for a purpose allowed under this policy.

Domestic Violence, Sexual Assault or Stalking Leave

Employees who are the victim of domestic violence, sexual assault or stalking, or whose family member is the victim of domestic violence, sexual assault or stalking, may take reasonable leave from work to:

- Seek legal or law enforcement assistance or remedies to ensure the health and safety of the employee or the employee's family members;
- Seek treatment by a health care provider for physical or mental injuries caused by domestic violence, sexual assault or stalking;
- Attend to health care treatment for a victim who is the employee's family member;
- Obtain, or assist a family member in obtaining, services from a domestic violence shelter, rape crisis center or other social services program for relief from domestic violence, sexual assault or stalking;
- Obtain, or assist a family member in obtaining, mental health counseling related to an incident of domestic violence, sexual assault or stalking in which the employee or the employee's family member was a victim of domestic violence, sexual assault or stalking; or

- Participate in safety planning, temporarily or permanently relocate or take other actions to increase the employee's safety or the safety of the employee's family members from future domestic violence, sexual assault or stalking.

For purposes of this policy, a "family member" includes a child (including a biological, adopted, foster or stepchild; legal ward; or child for whom the employee stands in loco parentis, or in the place of a parent, who is under 18 years of age or who is 18 years or older and incapable of self-care because of a mental or physical disability), spouse (including state-registered domestic partners and same-sex spouses), parent, parent-in-law, grandparent or person with whom the employee has a dating relationship.

When possible, employees must give the Association notice of their intention to take leave for these purposes at least three days in advance. When advance notice is not possible because of an emergency or unforeseen circumstances due to domestic violence, sexual assault or stalking, an employee or someone on the employee's behalf must give notice no later than the end of the first day the employee takes leave.

The Association may require verification that the employee or family member is a victim of domestic violence, sexual assault or stalking and that the leave is being taken for one of the purposes described above. Verification may be provided by written statement confirming these facts or by other appropriate documentation, such as a police report or court order, and must be provided in a timely manner.

Employees will not be required to provide additional information beyond this required verification, or information that would compromise the safety of the employee or their family member. Except as otherwise required or permitted by law, the Association will maintain the confidentiality of all information employees provide regarding this leave, including the fact that the employee or a family member is a victim or that the employee has requested leave for these purposes.

When taking leave under this policy, an employee may choose to use any available paid leave, including sick and safe leave, or vacation. Otherwise, leave will be unpaid. Leave may be taken intermittently, on a reduced work schedule or in a single block of time, as the circumstances warrant. During the leave, the Association will maintain any health insurance coverage being provided in the same manner as if the employee had not taken leave.

The leave must be reasonable in duration, which will be determined by management and the affected employee, based upon the circumstances.

Upon return from leave under this policy, an employee will be reinstated to the position held prior to taking leave or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment, subject to certain exceptions as provided under Washington law.

The Association will not terminate, threaten to terminate, suspend or in any manner discriminate or retaliate against an employee because the employee requests or takes leave in accordance with this policy, files or expresses an intent to file a complaint alleging a violation of Washington's law on leave for domestic violence victims, or participates or assists in another employee's attempt to exercise rights under that law.

Employees may also be entitled to a reasonable accommodation under the Association's Accommodation for Victims of Domestic Violence, Sexual Assault or Stalking policy and should consult Human Resources for additional information.

Emergency Responder Leave

Sudden Valley employees who volunteer as a firefighter shall disclose their volunteer status if and when they begin to serve as a volunteer to facilitate when the Association may need to grant responder leave.

Employees who are volunteer firefighters or reserve officers will be allowed time off to respond to a fire alarm or an emergency call. For purposes of this policy, a "volunteer firefighter" means a firefighter for purposes of the state's firefighters' and reserve officers' relief and retirement pensions law who voluntarily performs, regardless of reimbursement, any assigned or authorized duties on behalf of or at the direction of a firefighting or emergency response unit of a city, county, fire district, regional fire protection district, port district or the state.

If an employee is at work when called to serve as a volunteer firefighter, they must notify the Association of their firefighter status and intent to serve as a volunteer in order to take leave. If the employee is not at work when called to serve, they will only be allowed to take leave if they have been ordered to remain at their position by the commanding authority at the fire scene.

Employees may be asked to provide verification that leave was taken for a purpose allowed under this policy.

Time off will be without pay except that exempt employees will receive pay when required under applicable law.

Personal Time

All regular, full time employees will receive 32 hours of personal time on January 1st of every year. Eligible employees must have completed their introductory period before using this time. Those individuals hired mid-year will receive a pro-rate amount of personal time.

To schedule personal time, employees should submit a completed Time Off Request form, online in the timekeeping system, to the supervisor at least two weeks before the requested leave. Employees must ensure that they have enough earned personal time available to cover the dates requested. Requests will be approved based on a number of factors, including department operating and staffing requirements. The supervisor should return the leave request to the employee within three business days of the date it is submitted indicating that the request has been approved or denied. If the request for personal time is denied, the supervisor should provide an appropriate reason on the form returned to the employee.

Personal time is NOT paid out upon termination. All personal hours must be used by December 31st of the calendar year or will be forfeited. Personal time does not carry over from year to year.

Holidays

SVCA recognizes nine (9) days during the year as paid holidays for eligible employees. In order to receive holiday pay, eligible employees must work his or her last regular scheduled day before and the first scheduled day after each holiday, unless the employee is on approved vacation. Any employee, who refuses to work on a holiday when requested by the Department Manager, will forfeit any holiday pay due as well as being subject to other disciplinary action.

- New Year's Day
- President's Day

- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- The Day After Thanksgiving
- Christmas Eve
- Christmas Day

If a holiday falls on a weekend day, the Association usually observes the holiday on the preceding Friday or the following Monday at the discretion of the General Manager.

Employees covered under the CBA should review Article 9 for more information regarding Holidays for bargaining employees.

Employees who are on a continuous leave of absence are not eligible to receive holiday pay.

Other Legally Required Leaves of Absence

Employees will be granted leave of absence required by law, including for the purpose of fulfilling any required legal, civic, military, or parental obligation in accordance with applicable state laws. Please contact HR for more information if you need one of these leaves.

- Military Leave – including fitness for duty examinations, training, or active duty, may be granted a leave of absence in accordance with applicable state laws.
- Leave for Military Spouses – Employees who work an average of 20 hours or more hours a week and have a spouse or registered domestic partner engaged in active military duty can take up to fifteen (15) days of unpaid leave during their spouse's leave from deployment in a time of military conflict.
- Jury and Witness Duty Leave – Employees are encouraged to serve on jury or witness duty when called. Employees covered under the Collective Bargaining Agreement should review Article 15 for more information regarding Jury Duty for bargaining employees.
 - Any employee called for jury duty or as a witness shall submit the summons to serve on a jury to the Department Manager at least two days prior to scheduled jury duty.
 - The Association will provide all regular, full-time employees with up to ten days of paid leave to service as a juror or witness. Any employee on jury or witness duty is expected to report, or return to work for the remainder of the work schedule when dismissed from jury or witness duty.
 - Employees will be required to provide verification of jury duty or witness service from the court clerk.
 - Employee reimbursement shall be determined by subtracting the amount received for such service by the Court from the amount earned at their regular rate of pay the missed while performing such service during their normal working hours.

Paid Family and Medical Leave

Washington Paid Family and Medical Leave (WA PFML) is a state-run paid family and medical leave program administered by the Washington Employment Security Department (Department) that provides leave and partial wage replacement to eligible employees who are unable to work for certain qualifying reasons. The amount of WA PFML available to employees is calculated on a "claim year" basis, which is defined as the period of 52

consecutive weeks beginning on the Sunday immediately before an employee files a complete application for WA PFML benefits.

WA PFML benefits are funded by an employee contribution made through payroll deductions. The payroll deduction amount is set by the Department as a percentage of an employee's eligible wages and may be adjusted periodically.

Eligibility

Employees who are localized in Washington and who have worked 820 hours over a four-quarter period determined by the Department before applying for benefits are eligible for WA PFML.

Qualifying Reasons and Length of Leave

Employees may be eligible for up to 12 weeks of WA PFML as follows:

- Up to 12 weeks of paid medical leave to attend to their own serious health condition as certified by a health care provider, including illness, injury, or pregnancy/childbirth.
- Up to 12 weeks of paid family leave to care for a family member with a serious health condition as certified by a health care provider, including illness, injury, or pregnancy/childbirth.
- Up to 12 weeks of paid family leave to bond with and care for an employee's child during the first 12 months after birth or after adoptive, guardianship, foster care, or non-parental custody placement of a child under the age of 18.
- Up to 12 weeks of paid family leave to attend to certain issues that arise from a family member being called to covered active military duty.
- Up to seven days of paid family leave during the seven calendar days following the death of a child for whom the employee would have qualified for medical leave on the basis of the birth of the child or for bonding with the child following the child's birth or placement.

Employees can take more than one type of WA PFML in a claim year. The maximum amount of WA PFML an employee can take in a claim year is 16 weeks, except that employees who experience incapacity related to pregnancy, childbirth or related medical conditions may receive an additional two weeks of paid medical leave, for a combined total of 18 weeks of WA PFML in a claim year.

For purposes of WA PFML, a "family member" means the employee's:

- Spouse or state registered domestic partner;
- Child or child's spouse;
- Parent (including a biological, adoptive, de facto, or foster parent, stepparent or legal guardian of an employee or the employee's spouse, or an individual who stood in loco parentis to an employee when the employee was a child);
- Grandparent;
- Grandchild;
- Sibling; or
- Any individual who depends on the employee for care and either: (1) regularly resides in the employee's home; or (2) is in a relationship that creates an expectation that the employee will care for the person.

A "family member" does not include an individual who simply resides in the same home as the employee with no expectation that the employee care for them.

Employees may take WA PFML on an intermittent basis (i.e., taking leave in blocks of time) or on a reduced schedule (i.e., reducing the employee's normal weekly or daily work schedule). Intermittent leave must be taken in one-hour increments, with a minimum claim duration of four consecutive hours per week.

Notice Required

Employees must provide at least 30 days' written notice before the start of WA PFML to Human Resources. Employees may provide written notice by email or text message. When providing notice, employees should specify the anticipated start date of the leave, the anticipated length of the leave, and the expected date of return. If the employee is unable to provide 30 days' notice because the need for leave is unforeseeable or the leave is due to issues arising out of a family member's call to covered active military duty, the employee must provide notice as soon as practicable.

Employees must make a reasonable effort to schedule foreseeable leave due to a serious health condition (e.g., planned medical treatment) in a manner that does not unduly disrupt the Association's operations, subject to the approval of the employee's or family member's health care provider.

An employee must give notice if any dates of scheduled leave change, are extended or were initially unknown.

The Association will treat any medical or health information as confidential and will not disclose such information except with the permission of the employee requesting leave, unless disclosure is otherwise required by law.

Employees taking WA PFML may be required to provide periodic reports regarding their status and intention to return to work.

Failure to provide adequate notice before WA PFML may result in the Department delaying or denying an employee's WA PFML.

Applying for WA PFML Benefits with the Department

Employees must apply for WA PFML benefits through the Department's online system at <https://paidleave.wa.gov/login/>.

To avoid delays in approvals and/or payments, applications should be submitted to the Department as soon as possible, beginning on the start date of the WA PFML.

Applications must be submitted no later than 30 days after the start of WA PFML, unless the Department determines that the application may be backdated for good cause.

Wage Replacement Benefits

WA PFML wage replacement benefits are determined and administered by the Department, not the Association. The amount of wage replacement benefits is calculated based upon an employee's average weekly wage in relation to the state average weekly wage and is capped at a maximum weekly benefit amount that is adjusted annually.

There is an unpaid waiting period of up to seven calendar days before WA PFML payments will start, except for claims for bonding, medical leave taken upon the birth of a child, loss of a child, and leave to attend to issues arising out of a family member's call to covered active military duty.

Coordination With Other Leaves and Association-Provided Benefits

The Association will not require employees to use or exhaust any accrued and available Association-provided paid time off, including **vacation or sick leave** prior to or while receiving WA PFML.

Employees may use the following as benefits concurrently with WA PFML to supplement or "top off" their WA PFML benefits: vacation, sick leave, PTO, paid bereavement leave.

The combined pay of WA PFML plus any supplemental benefit cannot exceed the employee's weekly wage, and all wage replacement benefits will be fully integrated to avoid duplication of benefits. This limitation does not apply to paid sick leave.

WA PFML will run concurrently with protected leave taken under any other applicable federal, state or local leave law.

During approved WA PFML, the Association will continue making contributions to an employee's group health benefits on the same terms as if the employee had continued to work, unless: (a) the employee is not employed by the Association at the time they file for WA PFML benefits; (b) the employee is not entitled to WA PFML reinstatement; or (c) the employee has forfeited their right to WA PFML reinstatement. For benefits coverage to continue during WA PFML, the employee must continue to make any premium payments they were required to make for themselves or their dependents prior to the leave. Failure to make timely payments may result in termination of health insurance coverage.

Reinstatement and Forfeiture

An employee is entitled to reinstatement to the same or an equivalent position with the same status, pay, employment benefits, length-of-service credit, and seniority as of the date of leave, if the employee has worked for at least 180 calendar days before taking WA PFML and has not forfeited their right to reinstatement.

An employee will be deemed to have forfeited their right to WA PFML reinstatement if they do not exercise such right upon the earlier of the first scheduled workday following: (1) a period of WA PFML; or (2) a combined total of 16 workweeks of WA PFML taken during a period of 52 consecutive calendar weeks, or 18 workweeks if any portion of the leave was taken as a result of a serious health condition with a pregnancy resulting in incapacity.

As a condition of reinstatement from medical leave under WA PFML, the Association may require an employee to provide certification from the employee's health care provider that the employee is able to resume work.

For employees who do not meet the requirements for reinstatement under WA PFML, reinstatement is not guaranteed. Other laws that provide for reinstatement may apply, and the Association will comply with all applicable reinstatement requirements.

The Association may deny reinstatement to an employee who would not otherwise have been employed at the time the employee would return from WA PFML. Under certain circumstances, the Association may also deny reinstatement to any salaried employee who is among the highest paid 10 percent of the employees employed by the Association within 75 miles of the facility at which the employee is employed.

Upon reinstatement, an employee's WA PFML will not affect their previously held right to accrue Association-provided paid time off, bonuses, advancement, seniority, length-of-service credit or other employment benefits, plans or programs.

Misuse of WA PFML

Employees who fraudulently obtain WA PFML benefits will not receive the protections and benefits provided by the law and may be required to repay any benefits received.

Protected Rights

The Association takes its WA PFML obligations very seriously and will not interfere with, restrain or deny the exercise of any right protected under the WA PFML. The Association will not discriminate or retaliate against any employee because they oppose conduct that is unlawful under the WA PFML, file a complaint or institute a proceeding related to the WA PFML, or testify or provide information in an inquiry or proceeding related to the WA PFML or are about to do so. If an employee believes that their WA PFML rights have been violated in any way, they should immediately report the matter to Human Resources.

Additional Information

Employees who have questions about this policy should contact Human Resources.

Paid Sick and Safe Leave

The Association provides paid sick and safe leave to eligible employees in compliance with Washington's paid sick and safe leave law (PSSLL).

Employee Eligibility

All employees (including full-time, part-time and temporary employees) who work in Washington are eligible to accrue paid sick and safe leave, except for employees who do not meet the definition of "employee" under the Washington Minimum Wage Act, including employees employed in executive, administrative, professional and outside sales capacities.

Accrual and Use of Paid Sick and Safe Leave

Eligible employees begin to accrue paid sick and safe leave upon their first day of employment.

Paid sick and safe leave accrues at a rate of one hour for every 40 hours worked, including overtime hours for nonexempt employees.

Employees covered under the CBA should review Article 11 for more information regarding Sick Leave for bargaining employees.

All exempt employees will receive sick leave as outlined in their employment contracts under compensation.

Employees will not accrue paid sick and safe leave while using paid sick and safe leave, vacation or other paid time off. Employees also will not accrue paid sick and safe leave during an unpaid leave of absence.

Paid sick and safe leave may be used in increments of one hour or greater to cover all or just part of a workday.

Eligible employees may begin to use their accrued paid sick and safe leave on the 90th calendar day after they begin working for the Association.

Employees can use paid sick and safe leave for an absence on any day for which they were required to work.

Employees are not required to search for or find an employee to cover their work when they take paid sick and safe leave. Paid sick and safe leave taken in accordance with this policy will not be counted as an absence or occurrence that may result in discipline under any company policy.

Use of Paid Sick and Safe Leave

Paid sick and safe leave may be used in increments of one hour or greater to cover all or just part of a workday.

Eligible employees may begin to use their accrued paid sick and safe leave on the 90th calendar day after they begin working for the Association.

Employees can use paid sick and safe leave for an absence on any day for which they were required to work.

Employees are not required to search for or find an employee to cover their work when they take paid sick and safe leave. Paid sick and safe leave taken in accordance with this policy will not be counted as an absence or occurrence that may result in discipline under any Association policy.

Reasons Sick and Safe Leave May be Used

Sick leave may be used only during times that an employee cannot work for the following reasons:

- The employee's mental or physical illness, injury or health condition; need for medical diagnosis, care or treatment for the illness, injury or health condition; or need for preventive medical care.
- A family member's mental or physical illness, injury or health condition; need for medical diagnosis, care or treatment for the illness, injury or health condition; or need for preventive medical care.
- The employee's place of business or the employee's child's school or place of care has been closed by order of a public health official for any health-related reason or the employee's child's school or place of care has been closed after the declaration of an emergency by a local or state government or agency, or by the federal government. A "health-related reason" is a serious public health concern that could result in bodily injury or exposure to an infectious agent, biological toxin, or hazardous material. It does not include closures for inclement weather.
- To prepare for or participate in any judicial or administrative immigration proceeding involving the employee or their family member.
- For "safe time" purposes, which are defined as absences related to domestic violence, sexual assault or stalking of, or a hate crime against, the employee or the employee's family member to:
 - o Seek legal or law enforcement assistance or remedies to ensure the health and safety of the employee or the employee's family members;
 - o Seek treatment by a health care provider for physical or mental injuries, or attend to health care treatment for a victim who is the employee's family member;
 - o Obtain, or assist a family member in obtaining, services from a domestic violence shelter, rape crisis center or other social services program;
 - o Obtain, or assist a family member in obtaining, mental health counseling; or
 - o Participate in safety planning, temporarily or permanently relocate or take other actions to increase the employee's or their family member's safety.

For purposes of this policy, for sick leave that is not related to safe time, "family member" means the employee's:

- Spouse;
- Registered domestic partner;
- Child (including a biological, adopted or foster child, a stepchild, a child's spouse, or a child to whom the employee stands in loco parentis, is a legal guardian or is a de facto parent, regardless of age or dependency status);
- Parent (including a biological, adoptive, de facto or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis to an employee when the employee was a minor child);
- Sibling;
- Grandparent;
- Grandchild; or
- Any individual who regularly resides in the employee's home or where the relationship creates an expectation that the employee care for the person, and that individual depends on the employee for care.

For sick leave related to safe time, "family member" means the employee's:

- Spouse;
- Registered domestic partner;
- Child (including a biological, adopted or foster child, a stepchild, a legal ward or a child to whom the employee stands in loco parentis, who is: (a) under 18 years of age; or (b) 18 years of age or older and incapable of self-care because of a mental or physical disability);
- Parent or parent-in-law (including a biological or adoptive parent or an individual who stood in loco parentis when the employee, their spouse or domestic partner was a child);
- Grandparent; or
- An individual with whom the employee has a dating relationship.

For absences related to the employee's or family member's status as a victim of domestic violence, sexual assault or stalking, "family member" also includes an individual with whom the employee has a dating relationship.

Requesting Paid Sick and Safe Leave/Documentation

If the need to use sick leave is foreseeable, such as for prescheduled medical appointments and court dates in domestic violence cases, employees must provide at least one day advance notice of an absence from work to Human Resources. If the need to use sick leave is unforeseeable, employees must provide notice to Human Resources as soon as possible before the start of their scheduled shift, unless it is not practicable to do so. Employees may provide notice by phone call, email or text message.

When notifying the Association of the need to use sick leave, the employee should include the anticipated duration of the absence, when possible.

In all circumstances, employees are responsible for specifying that the time off is for sick leave reasons (as opposed to, for example, vacation), so that the absence may be designated as a sick leave absence.

For absences exceeding ~~three-four~~ **or more** consecutive ~~scheduled~~ workdays, the Association may require employees to provide verification that their use of paid sick and safe leave is for an authorized purpose. Employees must submit any required documentation within ten calendar days following the first day of paid sick and safe leave. If an employee anticipates that providing required documentation will create an unreasonable burden or

expense, the employee can provide an oral or written explanation of: why the absence was a permissible use of paid sick and safe leave; and how the required verification creates an unreasonable burden or expense for the employee.

Rate of Pay for Sick and Safe Leave/Overtime

Sick and safe leave will be paid at the employee's regular and normal rate of pay at the time the employee uses the leave, or at minimum wage, whichever is greater. Employees will not receive overtime pay for sick and safe leave.

Carryover

Accrued but unused paid sick and safe leave will carry over from one calendar year to the next, with no maximum limit.

Separation From Employment

Compensation for accrued and unused sick and safe leave is not provided upon separation from employment for any reason. If an employee is rehired by the Association within 12 months of separation from employment, previously accrued but unused sick and safe leave will immediately be reinstated. The previous period of employment will be counted for purposes of determining the employee's eligibility to use paid sick and safe leave. If the employee is reinstated during the calendar year following the year in which their employment ended, the amount of reinstated paid sick and safe leave will be capped at a maximum of 40 hours.

Confidentiality

The Association will keep confidential the medical or other personal information about an employee or employee's covered family member and treat such information in accordance with applicable privacy laws.

Effect on Other Rights and Policies

The Association may provide other forms of leave for employees to care for medical conditions or for issues related to domestic violence under certain federal, state and local laws. In certain situations, leave under this policy may run at the same time as leave available under another federal, state or local law, provided eligibility requirements for that law are met. The Association is committed to complying with all applicable laws. Employees should contact Human Resources for information about other federal, state and local domestic violence, medical or family leave rights.

No Discrimination or Retaliation

The Association will not interfere with, restrain or deny an employee's rights under the PSSLL and will not discriminate or retaliate against an employee because they exercise those rights. The Association will not discriminate or retaliate against an employee who files an action or otherwise institutes a proceeding under or related to the PSSLL or who testifies or intends to testify in any such proceeding related to any protected rights under the PSSLL.

Personal Leave

Employees may request unpaid personal leave for reasons not covered by other leave policies (e.g., sick leave, vacation, WPFML). Requests will be evaluated on an individual basis and may be granted for up to **30 calendar days for regular full-time or part-time employees who have completed at least 90 days of continuous service**. For leaves exceeding 30 days, up to a maximum of **90 calendar days**, additional justification and approval from Human Resources and the General Manager are required.

Approval or denial remains at the Association's sole discretion. Factors considered include:

- The purpose of the leave (e.g., personal education, family obligations, or significant life events).
- Availability of coverage for the employee's job duties.
- The employee's length of service, prior attendance, and performance record.
- The impact on Association operations, including seasonal demands (e.g., snow removal or golf course maintenance).

Requests must be submitted in writing to Human Resources at least 14 calendar days before the requested start date, unless an emergency prevents advance notice, in which case documentation may be required.

Employee benefits (e.g., health insurance, paid time off accrual) will cease during a personal leave of absence lasting 15 or more consecutive days, though employees may elect to continue certain benefits at their own expense (e.g., via COBRA, if applicable). Consult Human Resources for details.

The Association will attempt to reinstate employees to their former position or a comparable role upon return, subject to business needs. Reinstatement is not guaranteed, especially for leaves exceeding 30 days. Employees must confirm their return date with Human Resources at least 14 calendar days before their scheduled return. Extensions may be requested in writing as soon as the need is known, subject to the same approval process. Employees who fail to return as scheduled—or who do not request an extension with good cause—will be considered to have voluntarily resigned as of the original leave end date.

This policy applies to union employees unless otherwise specified in the collective bargaining agreement (CBA). Union members should refer to their CBA and consult their union representative for additional terms.

Pregnancy Disability Leave

Employees will be given a leave of absence for periods of sickness or temporary disability due to pregnancy or childbirth. Leave will be allowed for the entire period of pregnancy-related or childbirth-related disability and will be provided under the same terms and conditions as leave for other temporary disabilities.

The Association may require that a licensed health care provider certify the actual period of disability.

Pregnancy leave is for the period of disability *only*, and not for childrearing after the disability ends. Leave provided under this policy will be in addition to leave available, if applicable, under the Washington Paid Family and Medical Leave Act.

Upon return, an employee who takes leave in accordance with this policy will be reinstated to the same or a similar position with equal pay, unless the Association is unable to reinstate the employee for reasons related to business necessity.

Vacation

Vacation accrual begins on the first day of full time employment. Vacation is accrued according to the schedule in this policy. Vacation can be used only after it is earned. No vacation is available for use before 90 days of employment. Paid time off will not be earned during an unpaid leave of absence. Vacation must be taken before unpaid time off is granted.

Vacation shall accumulate as follows:

- Up to three (3+) years of continuous service: 3.08 hours per two week pay period (80 hours), and shall begin accumulating on the first day of the next pay period following the date of hire.
- Four up to seven (4 to 7+) years of continuous service 4.62 hours per two week pay period (120 hours), and shall begin accumulating at this rate on the first day of the next pay period following their four-year anniversary.
- Eight years or more of continuous service 6.15 hours per two week pay period (160 hours), and shall begin accumulating this rate on the first day of the next pay period following their eight-year anniversary.

GRANDFATHER CLAUSE: Current, continuous employees hired prior to January 1, 2015, will be allowed to keep their current accrual rates should they be equal to or greater than those listed above.

- a) No Vacation leave can be taken before three (3) months of continuous employment. Time lost due to leave(s) of absence of thirty days or more shall not be included for Vacation accumulation.
- b) The maximum Vacation leave an employee is allowed to carryover is 180 hours. Should an employee's Vacation leave accrual at the last day of the year reach the 180 hour threshold, all vacation in excess of this amount is forfeit. Hours/accruals missed are lost and not recoverable.
- c) Notwithstanding subsection b above, if it would be detrimental to the operations of the Association for an exempt employee to take enough vacation leave time to remain under the 180-hour threshold, the General Manager may authorize a cashout of vacation time which would otherwise be forfeited. In the circumstance that the affected employee is the General Manager, the Board President shall have the authority to authorize such cash out.

To schedule vacation, employees should submit a completed Time Off Request form, online in the timekeeping system, to the supervisor at least two weeks before the requested leave. Employees must ensure that they have enough earned leave available to cover the dates requested. Requests will be approved based on a number of factors, including department operating and staffing requirements. The supervisor should return the leave request to the employee within three business days of the date it is submitted indicating that the request has been approved or denied. If the request for vacation is denied, the supervisor should provide an appropriate reason on the form returned to the employee. Vacation will be paid at the employee's base rate at the time the leave is taken.

Vacation is not considered hours worked for overtime calculation and does not include any special forms of compensation such as incentives, commissions, bonuses or shift differentials. If a holiday falls during the employee's vacation, the day will be charged to holiday pay rather than to vacation.

Leave taken beyond an employee's available Vacation balance shall be unpaid unless otherwise required under state or federal law.

If employment is voluntarily terminated, earned unused Vacation earned through the last day of active employment will be paid at the employee's base rate of pay at termination; provided, however that if Employee

is terminated for violation of this handbook or other misconduct as determined by SVCA, all accrued but unused vacation will be forfeited; or if the employee resigns without giving at least two week advance written notice. In the event of the employee's death, earned unused Vacation time will be paid to the employee's estate or designated beneficiary.

Paid Time Off for Temporary-to-Hire Employees

Per contractual agreement with the Employment Placement Agencies, workers are required to work a set number of hours (usually 720) under the agency's employ before becoming employed by SVCA. If and when SVCA decides to employ the contract worker, SVCA may choose to recognize the effort and hard work that each worker had put forth on behalf of SVCA while in the placement agency's employ. Therefore, if a contract worker is offered full-time regular employment at SVCA, SVCA may back-date his or her Vacation and Sick Time accrual to the first date the employee began work at SVCA as a contract employee.

SVCA states in its employee handbook that under certain circumstances, accrued Vacation time may be paid out when an employee voluntarily terminates his or her employment. In the case of the temporary to hire contract worker, eligibility for this pay-out will become in effect 180 work days from the date the employee is hired as a full-time regular SVCA employee.

Pay Practices

Business Travel and Reimbursement

SVCA may reimburse employees for reasonable expenses incurred while conducting approved business on SVCA's behalf, at its sole discretion.

Preauthorization - Wherever possible, an employee should contact his or her manager or supervisor, or the General Manager and provide notification of the need to incur an expense on SVCA's behalf and obtain approval prior to incurring such expenses.

Proof Requirement: All reimbursement requests should be accompanied with a receipt or other form of proof that the expense was actually incurred and must be submitted on the proper form and/or manner, with the approval of the Department Manager for the approval of the General Manager.

Cell Phone: Employees that are required to carry cell phones will be reimbursed \$60 per month to offset their personal cell phone bill, or they may be provided a cell phone in certain circumstances approved by the General Manager.

Abuse of this Business Travel and Reimbursement policy, including falsifying expense reports to reflect costs not incurred by the employee, may result in disciplinary action, up to and including termination of employment.

Discussion of Wages

No employee is prohibited from inquiring about, disclosing, comparing or otherwise discussing their wages or the wages of another employee or from asking the Association to provide a reason for the employee's wages and/or

lack of opportunity for advancement. The Association will not retaliate against any employee because they aid or encourage another employee to exercise their rights to discuss or disclose wage information.

Employees are not required to disclose their wages.

This policy does not apply to the disclosure of other employees' wage information by employees who have access to such information solely as part of their essential job functions and who, while acting on behalf of the Association, make unauthorized disclosure of that information. Association representatives may disclose employees' wages in response to a complaint or charge, in furtherance of an investigation or when otherwise consistent with the Association's legal duty to provide information.

Meal and Rest Breaks

The scheduling of meal periods at SVCA is set by the employee's immediate manager with the goal of providing the least possible disruption to company operations.

Nonexempt employees working more than five consecutive hours in a shift will be allowed a meal break of at least 30 minutes. An additional meal break will be provided for each additional five hours of work and will be given within five hours from the end of the first meal break.

Nonexempt employees who work three or more hours longer than the normally scheduled shift will be allowed at least one 30-minute meal break prior to or during that extra work time.

Meal breaks of at least 30 minutes, during which the employee is completely relieved from duty, are unpaid. Any employee who is required to work through some or all of a 30-minute meal break or whose 30-minute meal break is interrupted should report it to their department manager, the Office Manager, or the General Manager.

Meal breaks may be voluntarily waived in writing by an employee. Any such waiver may be revoked by the employee at any time.

Nonexempt employees must take a 15-minute paid rest break for every four hours worked and must not work more than three consecutive hours without a paid 15-minute rest break. An employee's paid rest breaks do not have to be scheduled in 15-minute blocks if the nature of the work allows the employee to take shorter, intermittent rest breaks totaling 15 minutes for every four hours worked. A rest break taken in a 15-minute block must be scheduled as near as possible to the midpoint of the work period. An employee may not waive a paid rest break.

Employees covered under the CBA should review Article 4 for more information regarding Meal and Rest Breaks for bargaining employees.

Any employee who does not receive a rest break in accordance with this policy should report it. If an employee does not report a missed or shortened meal or rest break, the Association will assume the employee took his or her meal and rest breaks as required by this policy.

Employees are expected to take their meal and rest breaks, and management is expected to ensure that employees take meal and rest breaks in accordance with this policy. Supervisors may not pressure or coerce employees to work through their meal or rest breaks. Any employee who feels he or she has been pressured or coerced into working through a meal or rest break should immediately report the situation to Human Resources.

Any employee, supervisor or manager who fails to observe the applicable guidelines in this policy will be subject to discipline, up to and including termination of employment. Violations of this policy should be reported to Human Resources. Every report will be fully investigated, and corrective action will be taken when appropriate.

In addition, the Association will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Association's investigation of such reports. Any form of retaliation in violation of this policy will result in disciplinary action, up to and including termination.

Meal and Rest Breaks for Minors

Employees Age 16 or 17

Employees who are 16 or 17 years of age will be allowed at least one 10-minute paid rest break for every four hours worked, to be taken as near as possible to the midpoint of the work period. Employees age 16 or 17 will not be required to work more than five consecutive hours without a 30-minute meal break, which must be taken no less than two hours, but no more than five hours, from the beginning of the work shift. Employees who are 16 or 17 years old will not be required to work more than three hours without being given a meal or rest break.

During meal breaks, employees will be relieved of all duties. The 30-minute meal break will be unpaid for nonexempt employees.

All nonexempt employees must record their meal breaks.

Any employee who is unable to take all of the breaks to which they are entitled in accordance with this policy, or who has been prevented or discouraged from taking a break to which they are entitled under this policy, should immediately notify Human Resources.

Call-In Pay

Emergencies or special work needs may necessitate requests to work with little advance notice. In the event of a special work request and as a minimum workday, a non-exempt employee will receive a minimum of two (2) hours of pay for time worked unless the employee arrives late or leaves early for personal reasons, in which event the employee shall be paid for actual hours worked.

Exempt employees are not eligible for on-call pay.

Employees covered under the CBA should review Article 16 for more information regarding Rate of On-Call Pay for bargaining employees.

Overtime

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime. Nonexempt employees will be paid one and one-half (1.5) times their regular rate of pay for all hours worked in excess of 40 in one workweek and as otherwise required by applicable state and federal law. Paid time off such as sick pay, holiday pay, vacation pay and jury duty pay (where applicable) will not count toward hours worked for the purpose of determining overtime pay.

All overtime work must be authorized in advance by the employee's supervisor. Working overtime without prior authorization may result in disciplinary action.

Exempt employees are expected to work as much of each workday as is necessary to complete their job responsibilities. No overtime or additional compensation is provided to exempt employees.

For overtime pay calculation purposes, the workday begins at 12:00am and ends at 11:59pm. The workweek begins at 12:00am on Monday and ends at 11:59pm on Sunday.

Payment of Wages

Employees will be paid biweekly on Friday by check or direct deposit. Each pay period covers the preceding two weeks, ending on Sunday before the Friday pay date.

If the regular payday falls on a Association-recognized holiday, then employees will be paid on the workday before the regular payday. Employees who enjoy the benefit of electronic direct deposit will receive deposit advice on each payday.

Paycheck Deductions

The Association is required by state and federal law to make certain deductions from employees' paychecks each pay period. Such deductions typically include federal and state taxes and Social Security. Depending on the state in which you are employed and the benefits you choose, additional deductions may occur.

The pay of some nonexempt employees may be subject to deductions for items such as tools or uniforms. Such deductions will be made in accordance with state and federal law and will require written authorization from the employee.

The amount of all deductions will be listed on the employee's pay stub.

Should an employee's marital status changes or the number of exemptions previously claimed increases or decreases a new Form W-4 shall be submitted to the Administrative Services Manager.

Reporting Errors and Obtaining More Information

If any employee, exempt or nonexempt, has questions about deductions from their pay, believes they have been subjected to improper deductions, or believes that the amount paid does not accurately reflect their total hours worked or salary, please contact Human Resources or a supervisor.

Every report will be fully investigated, and the Association will provide the employee with any compensation to which the employee is entitled in a timely fashion.

The Association complies with all applicable laws, including the Fair Labor Standards Act, and will not allow any form of retaliation against individuals who make good faith reports of alleged violations of this policy, or who cooperate in an investigation by the Association, even if the reports do not reveal any errors or wrongdoing.

Timekeeping

Nonexempt Employees

Employees who are classified as nonexempt must accurately record the time they work each day, including arrival, departure and meal break times.

When employees receive their paychecks, they should verify immediately that their working time was recorded accurately and that they were paid correctly for all hours worked.

Nonexempt employees must report *all* time worked and *not* work any time that is not authorized by their supervisors. This means nonexempt employees must not start work early, finish work late, work during a meal break, or perform any other extra or overtime work unless directed to do so. Employees who have questions about when or how many hours they are expected to work should contact their supervisor or Human Resources.

It is a violation of the Association's policy for anyone to instruct or encourage another employee to work "off the clock," to incorrectly report hours worked, or to alter another employee's time records. If any employee is directed or encouraged to incorrectly report hours worked, or to alter another employee's time records, the employee should report the incident immediately to a supervisor or Human Resources.

Exempt Employees

Employees who are classified as exempt must record absences from work for reasons such as leaves of absence, sick leave or vacation.

Exempt employees are paid on a salary basis. This means the employee regularly receives a predetermined amount of compensation each pay period, which cannot be reduced because of variations in the quality or quantity of the employee's work. In general, an exempt employee will receive their salary for any week in which the employee performs any work, regardless of the number of days or hours worked. However, an exempt employee will not be paid for days not worked in the following circumstances:

- Exempt employees who take one or more full days off for personal reasons other than sickness or disability will not be paid for such day(s) of absence, but employees may use available vacation or paid time off (PTO) to make up for the reduction in salary;
- Exempt employees who take one or more full days off from work due to sickness or disability will not be paid for such day(s) of absence, but employees may use available sick time to make up for the reduction in salary;
- Exempt employees who work only part of the week during their first and last week with the Association will be paid only for the days actually worked;
- Exempt employees who take unpaid leave under the Family and Medical Leave Act or corresponding laws will not be paid for such days/hours of absence; and
- Exempt employees who receive an unpaid disciplinary suspension of one or more full days, imposed in good faith for a workplace conduct rule infraction, will not be paid for such days of suspension.

The Association may require an exempt employee to use available vacation or sick time, as a replacement for salary, when the employee takes less than a full day off from work.

An exempt employee's salary will not be reduced when the employee works part of a week and misses part of a week due to service as a juror, as a witness or in the military, or for lack of work, though deductions may be made to offset amounts an employee receives as jury or witness fees or for military pay. The Association may also make

lawful deductions from an employee's salary for penalties imposed in good faith for infractions of safety rules of major significance.

It is Association policy to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA) and applicable state law. The Association prohibits any deductions from pay that violate the FLSA or applicable state law.

If an exempt employee believes that an improper deduction has been made to their salary, they should immediately report this information to Human Resources or a supervisor. Reports of improper deductions will be promptly investigated, and the employee will be promptly reimbursed for any improper deduction made.

Work Schedules

The regular workday schedule for employees of SVCA depends on the specific function performed. The General Manager or designated supervisor sets the hours for each individual operation. Each employee will be notified by the Department Manager of the daily and weekly work schedules and the number of hours per day and per week to be worked. Hours of work may be changed from time to time to meet the varying conditions and requirements of the SVCA's business.

Work Week: Even though the regular workday and work week may vary among departments and individuals, the regular work week for a full-time regular non-exempt employee will be forty (40) hours, and shall be computed as the seven-day period beginning at 12:00 a.m. Monday and ending 11:59 p.m. Sunday of each week. Each employee must be ready to work at his or her scheduled starting time and must work continuously until the end of the scheduled shift with the exception of required or permitted breaks and lunch periods.

Supervisors will schedule meal and rest periods as appropriate. The Association complies with federal and state laws in this regard. Employees should review the Association's Meal and Rest Breaks policy for further information.

Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in total hours that may be scheduled each day and week.

Schedule Swaps: Schedule Swaps must be arranged and approved in advance by the Department Manager.

Employee Benefits

Benefits Overview

Benefit plans offered by the Association are defined in legal documents, such as insurance contracts and summary plan descriptions. If employees are offered benefits, and if a question arises about the nature and extent of plan benefits or if there is a conflict in language, the formal language of the plan documents govern, not the informal wording of this Handbook. Plan documents, if applicable, are available for employees' inspection. The Association and its designated benefit plan administrators reserve the right to determine eligibility, interpretation and administration of issues related to benefits offered by the Association.

Employment benefits vary according to the position and status of the employee.

Full-time employees are eligible to receive all employment benefits offered by the Association.

Part-time employees are eligible to receive all employment benefits offered by the Association, on a pro-rated basis.

Temporary/Seasonal employees are not entitled to any Association benefits. To receive certain benefits, eligible employees may be required to meet participation requirements and pay required premiums and other contributions.

Employees should contact Human Resources for detailed benefits information.

The Association will discuss any benefits changes with the Union to share options prior to making decisions, as required by the CBA.

Educational Assistance Programs

SVCA will consider reimbursement of educational expenses for staff based on the following criteria:

Purpose: Education opportunity enhances the skill of the employee in his or her current position or makes him or her eligible for a new position with SVCA.

Budget Limits: Education opportunities fall within budget limitations. The SVCA may opt to pay all or a portion of the total costs involved. **Pre-approval:** The General Manager must approve the course before enrollment.

Completion: The employee must satisfactorily complete the course of training to receive reimbursement. In a graded setting, employee must receive a grade of 'C' or better to receive reimbursement.

To receive reimbursement payment for an approved course, employees will be required to provide a copy of their final grade or certificate accompanied by payment receipts. This documentation must be submitted within ten days of class completion in order to qualify for reimbursement.

Same-Sex Marriages, Civil Unions and Domestic Partnerships

The Association complies with all applicable federal and state laws regarding the provision of benefits to same-sex spouses, domestic partners and couples in a civil union. Employees should contact Human Resources if they have any questions regarding benefits eligibility for themselves or their spouse, domestic partner or civil union partner.

Safety and Security

Anti-Bullying

The Association does not tolerate bullying behavior, as explained in this policy.

“Workplace bullying” is the use of force, threats or coercion to abuse, intimidate, or humiliate another employee. Work-related bullying includes, but is not limited to, the following:

- Verbal abuse, such as the use of patently offensive, demeaning or humiliating remarks and epithets;
- Verbal or physical conduct that is threatening, intimidating or obscene;
- Pushing, shoving, kicking, poking, tripping, assaulting, or threatening physical assault, or intentionally damaging a person's work area or property; or
- Sabotaging, or deliberately subverting, obstructing or disrupting another person's work performance.

Cyberbullying is also prohibited. “Cyberbullying” refers to bullying, as defined above, that occurs through the use of a computer, cell phone, smartphone, tablet or other device that transmits electronic information, regardless of whether the device is owned by or located at the Association or connected to the Association network.

This policy in no way prohibits employees from engaging in activities that are protected under applicable state and federal laws, including, but not limited to any activity that is protected under Section 7 of the National Labor Relations Act (NLRA), which includes the right of employees to speak with others, engage in vigorous and impassioned debate or discussion and protest about their terms and conditions of employment.

Reporting and Response

Employees who are subject to or witness bullying in our work environment are encouraged to notify Human Resources or a supervisor immediately. The Association will promptly investigate the complaint. The Association will maintain confidentiality to the extent possible, consistent with its commitment to investigating the complaint promptly and thoroughly.

If the complaint is verified, the Association will take appropriate remedial and disciplinary action, which may include, but is not limited to, verbal or written warnings, suspension, termination of employment, counseling or other actions. The Association will also report to law enforcement, if appropriate. The complaining party will be advised of the results of the investigation.

Anti-Retaliation

The Association strictly prohibits retaliation against an employee for making a good-faith claim of bullying or for participating in good faith in an investigation of bullying.

Anti-Violence

The safety and security of employees is of vital importance to the Association. Therefore, the Association has adopted a zero-tolerance policy concerning work-related violence. Threats or acts of violence - including intimidation, bullying, physical or mental abuse and/or coercion - that involve or affect employees or that occur on the Association's premises, will not be tolerated.

It is our goal to have a work environment free from acts or threats of violence and to respond effectively to such acts or threats.

Work-related violence is any intentional conduct that is sufficiently severe, abusive or intimidating to cause an individual to reasonably fear for their personal safety or the safety of their family, friends and/or property such

that employment conditions are altered, or a hostile, abusive or intimidating work environment is created for one or several employees.

The conduct prohibited by this policy applies to conduct by all persons involved in our operations, including employees, supervisors, managers, temporary or seasonal employees (“employees”), agents, clients, vendors customers, or any other third party interacting with the Association (“third parties”).

Work-related violence includes, but is not limited to:

- Threats or acts of violence occurring on Association premises, regardless of the relationship between the parties involved in the incident;
- Threats or acts of violence occurring off Association premises involving someone who is acting in the capacity of a representative of the Association;
- Threats or acts of violence occurring off Association premises involving an employee if the threats or acts affect the business interests of the Association;
- All threats or acts of violence occurring off Association premises, of which an employee is a victim, if we determine that the incident may lead to an incident of violence on Association premises; and
- Threats or acts of violence resulting in the conviction of an employee or agent of the Association, or an individual performing services for the Association on a contract or temporary basis, under any criminal code provision relating to violence or threats of violence when that act or the conviction adversely affects the legitimate business interests of the Association.

Examples of conduct that may be considered threats or acts of violence under this policy include, but are not limited to:

- Threatening physical contact directed toward another individual;
- Threatening an individual or their family, friends, associates or property with harm;
- The intentional destruction or threat of destruction of Association property or an individual's property;
- Menacing or threatening phone calls;
- Stalking;
- Veiled threats of physical harm or similar intimidation; and
- Communicating an endorsement of the inappropriate use of firearms or weapons.

Workplace violence does not refer to workplace arguments or debates that are zealous or impassioned, provided there is no resort to any form of coercion. Discussions about legitimate sporting activities, popular entertainment or current events are not considered work-related violence when there is no threat of violence being directed to the work environment or any individual connected with it. Rather, work-related violence refers to behavior that demonstrates an intention to engage in violence, condones violence in our work environment or targets any individual with acts or threats of violence.

Employees should help maintain a violence-free work environment. To that end, employees are encouraged to immediately report any incident that violates this policy to a supervisor, another member of management or Human Resources.

This policy in no way prohibits employees from engaging in activities that are protected under applicable state and federal laws, including but not limited to any activity that is protected under Section 7 of the National Labor Relations Act (NLRA), which includes the right of employees to speak with others, engage in debates and protest about their terms and conditions of employment. No provision of this policy statement alters the at-will nature of employment with the Association. The Association will make the sole determination of whether and to what extent it will act upon threats or acts of violence. In making this determination, the Association may undertake

a case-by-case analysis to ascertain whether there is a reasonable basis to believe that work-related violence has occurred.

Business Equipment and Information Systems Usage

The Association has significantly invested in telephone services, copiers, computers, laptops, tablets, mobile phones, messaging systems, hardware, internet access, email, software, networks, computer accounts, data storage, voicemail and all other types of business equipment and electronic resources provided by the Association (collectively "Business Equipment and Information Systems"). The Association's Business Equipment and Information Systems are vital to keeping our operations flowing smoothly and effectively.

Monitoring of Business Equipment and Information Systems; No Expectation of Privacy

The Business Equipment and Information Systems provided by the Association, and all information and electronic communications transmitted through, received by or stored on the Business Equipment or Information Systems, are the exclusive property of the Association.

The Association (and/or through its authorized representatives) has the right, without notice, in its sole discretion, to monitor, review, retain, disclose and/or take any other appropriate actions regarding (collectively, "Monitor") any information and electronic communications transmitted through, received by or stored on its Business Equipment and Information Systems. This includes emails and messages sent or received (whether such emails and messages are related to personal or business matters and/or whether they are sent or received using a Association mail account; a non-Association internet-based account, such as yahoo.com, hotmail.com or gmail.com; or a social networking website); faxes; voicemails; internet and Intranet communications; access and usage; and documents, files or programs stored on the Association's Business Equipment and Information Systems to the fullest extent permitted by law. The Association's rights regarding monitoring its employees' use of the Business Equipment and Information Systems exist whenever an employee uses the Association's Business Equipment and Information Systems, regardless of whether they are working in the office, at home or at another location, and whether or not such use is during official office hours or relates to the Association's business. Thus, at no time should employees believe that they have any expectation of privacy while using any of the Association's Business Equipment and Information Systems.

Employees' use of the Association's Business Equipment and Information Systems constitutes their consent to monitoring by the Association (and/or its authorized representatives). Therefore, employees should not expect privacy or confidentiality in anything they create, download, display, store, send or receive on the Association's Information Systems, even if it has been deleted, password-protected, encrypted or is marked "confidential," "private," "personal," "privileged" or other words or phrases intended to convey it is private. In addition, the use of passwords to gain access to the Association's Business Equipment and Information Systems is intended solely to protect the security of the Association's business and does not confer an expectation of privacy for individual employees. If an employee wishes to avoid the Association potentially accessing and reviewing their personal communications, documents, files or data, then they should not use the Association's Business Equipment and Information Systems for personal purposes and should not save personal material on the Association's Business Equipment and Information Systems.

Acceptable Use

This policy describes the Association's general guidelines for using its Business Equipment and Information Systems.

Employees should use the Association's Business Equipment and Information Systems with the understanding that these resources are provided for the benefit of the Association's business. Employees may use Association email for personal use, during nonwork times, as long as such use complies with Association rules and policies and applicable laws. Employees should never use the Association's Business Equipment and Information Systems for personal use in a manner that degrades the functionality of those systems or interferes with their work duties or responsibilities to customers.

The following guidelines, which are not all-inclusive, have been established to ensure that employees understand expectations with regard to use of the Association's Business Equipment and Information Systems:

- Employees must comply with the password and other security provisions of the Association's Business Equipment and Information Systems. Employees must not use codes or passwords to gain unauthorized access to other employees' files or to Association files. Employees must not provide access to the Association's Business Equipment and Information Systems to anyone other than employees of the Association who are authorized users and other authorized users.
- Sending, saving, accessing, or viewing obscene or vulgar material on the Association's Business Equipment and Information Systems is prohibited. Messages stored and/or transmitted by the Association's Business Equipment and Information Systems must not contain content that may reasonably be considered to be obscene or other patently offensive material, including but not limited to, sexual comments, jokes or images; racial slurs; gender-specific comments; or any comments, jokes or images that would discriminate against or harass someone on the basis of their race, color, sex, age, national origin or ancestry, disability or any other category protected by federal, state, or local law. Any use of the Association's Business Equipment and Information Systems to engage in harassment or discrimination prohibited by Association policies is unlawful and strictly prohibited.
- The Association's policies apply fully to the use of the Association's Business Equipment and Information Systems. Any use of the Association's Business Equipment and Information Systems that violates a Association policy is prohibited.
- The Association's Business Equipment and Information Systems must not be used for solicitation purposes during working time. The Association's no solicitation rule applies to the use of the Association's Business Equipment and Information Systems.
- Employees may use software on local area networks or on multiple machines only in accordance with applicable license agreements.
- Employees may not download software and install it on Association Business Equipment and Information Systems. The Association reserves the right to audit any Association computer or equipment to determine what software is installed on the local drive(s).

Computer and Systems Security

All Association Business Equipment and Information Systems and the data stored on them are, and remain at all times, the property of the Association. As such, all messages created, sent, or retrieved over the internet or the Association's Business Equipment and Information Systems are the property of the Association, and should be considered Association information. The Association reserves the right to retrieve and read any message composed, sent, or received using the Association's Business Equipment and Information Systems for any business reason, including but not limited to, ensuring compliance with this and all Association policies.

Employees should be aware that even when a message is deleted or erased, it is still possible to re-create the message; therefore, ultimate privacy of a message cannot be ensured to anyone. Accordingly, internet, email and other messages are not private. Furthermore, all communications, including but not limited to, text and images can be disclosed to law enforcement or other third parties without prior consent of the sender or the receiver.

Employees should also be aware that duplicates of email or other messages transmitted through a personal, web-based e-mail account using Association equipment could be stored on the Association's Business Equipment and Information Systems; likewise, information regarding internet sites that an Employee has accessed may also be stored.

E-mail and Message Content Screening

The Association maintains the right to screen all inbound and outbound email and other message content (e.g., instant messages) sent or received on the Association's Business Equipment and Information Systems. Messages or attachments that contain obscene or vulgar material may be quarantined and held from transmission or receipt until the sender or recipient can verify the message or attached document is work-related.

If an Employee wants to communicate with an attorney or send an otherwise confidential piece of communication that they do not want the Association to monitor, the employee should consider using a personal email address and personal computer equipment. If an employee does use Association Business Equipment and Information Systems, the employee consents to any monitoring by the Association and should understand that there is no right to privacy with respect to such communications, to the extent permissible under applicable law.

Virus Protection

To prevent computer viruses from being transmitted through the system, employees are not authorized to download any software from the internet onto any Association Business Equipment or Information Systems.

Discipline

Violations of this policy may result in discipline, up to and including termination of employment.

Cameras and Video Surveillance

For purposes of workplace safety and security, and to prevent theft and other misconduct, the Association has installed video surveillance cameras in work areas. These cameras are exclusively used for video monitoring and do not record audio. The Association has installed one camera to record the members in the fitness center for liability purposes and risk management, as well as a camera in the Recreation Center Lobby for building security.

If there is any reported incident of theft, trespass, workplace violence, employee misconduct, or any type of safety violation (hereafter collectively referred to as "security incidents"), the Association will utilize its surveillance equipment as an investigatory tool. The Association will also make use of its surveillance equipment to deter any future security incidents.

The Association also reserves the right to actively monitor, through its surveillance cameras, the workplace for safety reasons (to protect against equipment failure, breakage, or accident) or confidentiality reasons (to protect documents or other proprietary information).

Although the video surveillance described in this policy is intended to monitor for security incidents and other safety reasons at the Association, it is possible that such surveillance may monitor activities not related to the Association's business.

The Association respects the privacy of its employees. Accordingly, no video cameras will be installed in the Association's restrooms or in any lactation or changing areas.

The surveillance cameras and any video footage from the surveillance are to be used solely for the purposes of this policy. Any unauthorized use of these video cameras and/or recordings is strictly forbidden and may result in discipline, up to and including termination of employment.

Cell Phone Use / Texting While Driving

Employees whose job responsibilities include regular or occasional driving and who are issued a Association cell phone (including smartphones and other mobile electronic devices) or use their personal cell phone for business-related work are expected to put safety first. Therefore, personal and Association-supplied cell phones are not to be used while driving.

Employees who receive or must make a call while driving must pull over safely and park before answering, returning or placing a call. Employees also may not send or review text messages while driving as part of their job responsibilities.

The purpose of this policy is to ensure the safety of employees, other motorists and Association property. Employees who are charged with traffic violations or cause accidents or injuries resulting from their use of personal or Association-issued cell phones while driving will be solely responsible for all liabilities, fines, etc., that result, to the extent permissible under the law.

Employees whose job responsibilities do not specifically include driving as an essential function, but who are issued a Association-provided cell phone for business use or who use their personal cell phone for business use, are also expected to abide by the provisions of this policy.

Association's Right to Search

The Association wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives or other improper materials. To this end, the Association prohibits the control, possession, transfer, sale or use of such materials on its premises to the extent permitted by applicable law. We require the cooperation of all employees in administering this policy.

Desks, lockers and other storage devices are provided for the convenience of employees, but remain the sole property of the Association. Employees have no reasonable expectation of privacy for items placed therein. Accordingly, desks, lockers and other storage devices, as well as any articles found within them, can be inspected by any agent or representative of the Association at any time, upon reasonable suspicion, either with or without prior notice.

As an employer, the Association is charged with the duty to protect employees and others from injuries at the hands of employees who pose a known risk of bodily harm to others. Accordingly, to ensure the safety and security of those individuals, and to protect our legitimate business interests, we reserve the right to, upon reasonable suspicion, question and inspect or search any employee or other individual entering or leaving Association

premises or job sites. The inspection or search may include any packages or items that the individual may be carrying, including briefcases, handbags, backpacks and shopping bags. Any non-exempt employee present during any search or inspection must report the time spent during the search or inspection as working time.

These items are subject to inspection and search, upon reasonable suspicion, at any time, with or without prior notice. Employees may be required to consent to reasonable inspection of their personal property and/or person while on the job or on the Association's premises. Any inspection of an individual's person will be limited to a self-inspection, whereby they will be requested to self-inspect their personal property or person by displaying the contents of any packages and/or turning out their pockets, etc., in the presence of a representative of the Association, typically a management employee of the same gender.

Driving for Association Business

The Association will reimburse employees for business use of personal vehicles in accordance with this policy.

The Association also provides Association-owned vehicles for approved selected employees to drive on Association-designated business. Employees are to use their Association-owned vehicle for work-related purposes only, but may run incidental, personal errands during their commute to and from work or during their meal break. This commuting and meal break time is the employee's time. Employees are not allowed to use Association vehicles outside of normal work hours unless specifically authorized by senior management.

Association vehicles are to be driven by authorized employees only, except in the case of repair testing by a mechanic. Any accidents in Association vehicles or while driving on Association business, regardless of severity, must be reported immediately to the police and to Human Resources. Failing to stop after an accident and/or failure to report an accident may result in disciplinary action up to and including termination of employment.

Drivers are responsible for the security of Association vehicles assigned to them. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended.

All employees are expected to comply with all local, state, and federal laws while operating a vehicle for business purposes. The Association may discipline employees who engage in unlawful conduct. For example, employees who are assigned to drive an Association-owned vehicle or otherwise required to drive as part of their job duties are required to have and maintain a valid driver's license, wear seat belts, and travel at a safe speed. The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, may result in disciplinary action, up to and including termination of employment. Employees will be responsible for all liabilities, fines, etc. that result from such traffic and parking violations, to the extent permissible under the law.

Reporting Accidents

If an accident does occur resulting in a person's injury or property damage, it must be reported to the Department Supervisor immediately, regardless of the severity or injury.

Requirement: All accidents where property is damaged or a person sustains an injury requiring medical attention must be reported to a supervisor and documented on an SVCA accident report within 48 hours of occurrence.

Failing to Report: Employees failing to report an accident may result in disciplinary action, up to and including termination.

Drug-Free Workplace

The Association strives to provide a safe environment for employees and others and to minimize the risk of accidents and injuries. Accordingly, each employee has a responsibility to co-workers and the public to deliver services in a safe and conscientious manner. Continuing research and practical experience have proven that even limited quantities of illegal drugs, abused prescription drugs or alcohol can impair reflexes and judgment. This impairment, even when not readily apparent, can have catastrophic consequences. Moreover, studies have shown that impairment by controlled substances may last long after the user believes the effects to have worn off. For these reasons, the Association has adopted a policy that all employees must report to work and remain completely free of illegal drugs, abused or non-prescribed prescription drugs, and alcohol.

Drug Use/Distribution/Possession/Impairment

The Association strictly prohibits the use, sale, attempted sale, conveyance, distribution, manufacture, purchase, attempted purchase, possession, cultivation and/or transfer of illegal drugs or other unlawful intoxicants during working time, on Association property, in any Association vehicle, and on any Association worksite, in any amount or any manner, regardless of occasion. "Illegal drugs" means all drugs whose use or possession is regulated or prohibited by federal, state or local law. This includes prescription medication that is used in a manner inconsistent with the prescription or for which the individual does not have a valid prescription. To the extent permitted by state and local law, this policy also prohibits the use of marijuana and marijuana products. The Association will endeavor to accommodate individuals with disabilities but will not accommodate the use of medical marijuana at work or excuse policy violations related to medical marijuana.

Employees are also prohibited from being impaired by or having any such illegal or unauthorized controlled substances in their system while at work. Included within this prohibition are lawful controlled substances that have been illegally or improperly obtained.

Alcohol Use/Distribution/Possession/Impairment

All employees are prohibited from distributing, dispensing, possessing or using any beverage or medicine containing alcohol while at work or on duty and from coming onto Association premises, reporting to work, or working with alcohol in their systems. Furthermore, lawful off-duty alcohol use, while generally not prohibited by this policy, must not interfere with an employee's job performance.

Prescription and Over-the-Counter Drugs

This policy does not prohibit the possession and proper use of lawfully prescribed or over-the-counter drugs. However, an employee taking medication should consult with a health care professional or review dosing directions for information about the medication's effect on the employee's ability to work safely, and promptly disclose any work restrictions to a supervisor or Human Resources. Employees are not required to reveal the name of the medication or the underlying medical condition.

The Association reserves the right to transfer, reassign, place on leave of absence or take other appropriate action regarding any employee during the time the employee uses medication that may affect their ability to perform safely. The Association will comply with all requirements pertaining to providing reasonable accommodations to the extent required by applicable law.

The Association's general prohibition against the possession or use of marijuana at work applies, regardless of whether an employee is certified to use marijuana for medical reasons under state law. Unless otherwise required

by law, the Association will not accommodate the use or possession of marijuana by individuals who are medically authorized to use marijuana as a matter of state law, but will offer such individuals alternative accommodations related to any underlying disability. If you have any questions concerning the Association's position concerning medical marijuana in a particular location, please contact Human Resources.

Counseling and Rehabilitation

Employees who voluntarily seek help for substance abuse (self-referral) by contacting the Association will be provided an opportunity to pursue counseling and rehabilitation. The Association will make available to these employees information about counseling and rehabilitation services. An employee who is receiving counseling and/or treatment for substance abuse may use available vacation, sick leave, or, if eligible, family and medical leave. Health insurance often covers the costs of such services, but costs not covered must be paid by the employee.

The employee cannot return to work until released by a treatment provider to do so, and receive a negative result on a return-to-work drug and/or alcohol test (as appropriate for that individual). In addition, the employee may be asked to submit to follow-up testing for a period following the return to work.

An employee's decision to seek help voluntarily will not be used as a basis for disciplinary action, although the individual may be transferred, given work restrictions or placed on leave, as appropriate. A request for help is considered voluntary only if it is made before the employee is asked to submit to any drug or alcohol test or is discovered to have otherwise violated this policy.

Emergency Evacuation

In the event of a fire or hazardous material emergency, the emergency fire alarm system should be activated by pulling one of the fire alarms. The source of a potential fire or hazardous material emergency should *not* be investigated. Any employee who suspects an emergency should report it immediately. In any emergency, reporting is the first essential step to protecting oneself and others.

When the emergency fire alarm system is activated, *all* employees and visitors are expected to evacuate the building by exiting in an orderly manner through the nearest exit.

When exiting, employees should not use elevators and should descend stairwells in an orderly manner. After exiting, employees should report to the area away from the building exits that is designated as the meeting location. Once employees arrive at the designated area, they should immediately report to the safety coordinator or their supervisor on site and remain at that location until accounted for and authorized to leave.

No reentry to the building will be permitted until an official all-clear notification is given.

Employees should review this policy and the evacuation procedures and notify Human Resources if they believe they might require an accommodation or assistance in order to comply with these procedures in the event of an emergency.

No Solicitation / Distribution of Literature

SVCA prohibits the solicitation, distribution and posting of materials on or at Association property by any employee or nonemployee, except as may be permitted by this policy. The sole exceptions to this policy are

charitable and community activities supported by SVCA and Association-sponsored programs related to SVCA's products and services.

Provisions:

- Nonemployees may not solicit employees or distribute literature of any kind on Association premises at any time.
- Employees may only admit nonemployees to work areas with management approval or as part of a Association-sponsored program. These visits should not disrupt workflow. An employee must Association the nonemployee at all times. Former employees are not permitted onto property except for official Association business.
- Employees may not solicit other employees during work times, except in connection with a Association-approved or sponsored event.
- Employees may not distribute literature of any kind during work times or in any work area at any time, except in connection with a Association-sponsored event
- The posting of materials or electronic announcements are permitted with approval from the Office Manager.

Violations of this policy should be reported to the Office Manager or General Manager.

Smoke-Free Workplace

The Association provides a smoke-free work environment. Smoking and the use of all tobacco-related products, including but not limited to, smoking, the use of chewing tobacco and the use of e-cigarettes is strictly prohibited in the workplace. Employees that observe other individuals smoking in the workplace have a right to object and should report the violation to their supervisor or to another member of management. Employees will not be disciplined or retaliated against for reporting smoking that violates this policy.

Employees that violate this policy or who tamper with No Smoking signs may be subject to disciplinary action, up to and including termination.

Use of Association Equipment and Resources

When using Association equipment, vehicles or other property, employees are expected to exercise care; maintain the property in safe working order; and follow all operating instructions, safety standards and guidelines.

Employees should notify their supervisors if any equipment, machines, tools, or vehicles appear to be damaged, defective or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. Employees who have questions about their responsibility for maintenance and care of equipment or vehicles used on the job should consult their supervisor or Human Resources.

All employees are expected to comply with all local, state, and federal laws while operating Association vehicles and other equipment. The Association may discipline employees who engage in unlawful conduct.

Parking

Designated parking areas are provided for all employees while on duty. Employees should park in designated areas so that adequate and appropriate parking is available for property owners and customers.

General Parking Designations: Managers or supervisors will inform employees of designated parking areas.

Specific Designations: The General Manager may specifically designate appropriate parking areas to be used by employees or parking areas not to be used by employees, at his or her discretion.

Employee Use of Amenities

Employees of SVCA are permitted to use Sudden Valley amenities on the same basis and fee as property owners, or as specified by the General Manager. Property owners have priority for booking and use of Association facilities.

Identification Required: In addition, all employees may use recreation amenities without cost as long as the employee remains employed by Sudden Valley. The employee and immediate family members must obtain a Sudden Valley ID from Administration.

Fees Waived: All full-time employees and part-time employees working an average of 32 hours or more a week will not be required to pay green's fees. This does not include the handicap fee, locker space or the golf driving range. Full-time employees and Golf Department employees will also receive golf driving range or locker privileges at no charge, on a space available basis.

Fees and Special Waivers: Golf carts may be rented at property owner rates. Golf privileges are extended only during off-peak times such as mid-week and weekends after 2:00 p.m. Carts and golf-related fees during off-peak times will be waived for full-time and part-time employees. Guests playing with employees will receive a 25% discount on green fees, range balls and cart fees or at the discretion of the Director of Golf or on-duty Golf Pro.

Weapons in the Workplace

The Association strictly prohibits employees, or any other person providing services to the Association or located on the Association's premises, from possessing weapons of any kind at the workplace. The workplace includes any property owned or leased by the Association or occupied by groups of Association employees or persons providing services to the Association. Unless this prohibition is contrary to state or local law, the workplace specifically includes Association parking areas and Association vehicles. Employees are not permitted to transport or store weapons in vehicles owned or leased by the Association and used by the employee for work purposes, unless the employee is required to transport or store a weapon as part of the employee's duties and the employee has written permission from Human Resources. This policy prohibits the possession of concealed weapons as well as weapons carried openly.

This prohibition specifically includes guns, rifles and firearms of any type, including those for which the holder has a legal permit. Other examples of prohibited weapons include, but are not limited to, knives, ammunition, bombs, bows and arrows, clubs, slingshots, blackjacks, metal knuckles and similar devices that by their design or intended use are capable of inflicting serious bodily injury or lethal force.

Work-Related Injuries or Illnesses

An employee who sustains a work-related injury or illness should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately.

Employees who sustain work-related injuries may receive workers' compensation benefits outlined in the Association's Workers' Compensation Insurance policy. Employees who need to take time off from work due to a workers' compensation illness or injury may also be eligible for a leave of absence under the Association's leaves of absence or reasonable accommodation policies. Employees should contact Human Resources for additional information.

Workers' Compensation

When work-related accidents, injuries or illnesses occur, employees may be eligible for workers' compensation insurance benefits. The Association provides a comprehensive workers' compensation insurance program at no cost to employees and in accordance with applicable state law. This program covers most injuries or illnesses, sustained in the course of employment, that require medical, surgical or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits or, if the employee is hospitalized, treatment immediately.

Reporting Work-Related Injury or Illness

Employees who sustain a work-related injury or illness should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage.

Leaves of Absence/Accommodation

Employees who need to take time off from work due to a workers' compensation illness or injury may also be eligible for a leave of absence under the Association's leaves of absence or reasonable accommodation policies. Employees should consult with Human Resources for additional information.

Return to Work

Employees who are ready to return to work following a workers' compensation-related leave of absence must supply a certification from a health care provider confirming the employee's ability to return to work.

Fraud

The Association will notify the workers' compensation insurance Association if we have reason to believe an employee has supplied false or misleading information in connection with a claim and/or has filed a fraudulent claim. Workers' compensation fraud is a crime and may also be grounds for disciplinary action, up to and including termination of employment.

Acknowledgement and Receipt

I acknowledge that I have received and read a copy of the Sudden Valley Community Association Employee Handbook. I understand that the Employee Handbook set forth the terms and conditions of my employment with the Association as well as the duties, responsibilities and obligations of employment with the Association. I understand that the Association has provided me various alternative channels to raise concerns of violations of this handbook and Association policies and encourages me to do so promptly so that the Association may effectively address such situations, and I understand that nothing herein interferes with any right to report concerns, make lawful disclosures or communicate with any governmental authority regarding potential violations of laws or regulations. I agree to abide by and be bound by the rules, policies and standards set forth in the Employee Handbook.

I acknowledge that, except where required otherwise by applicable state law, my employment with the Association is at-will, meaning that it is not for a specified period of time and that the employment relationship may be terminated at any time for any reason, with or without cause or notice, by me or the Association. **I further acknowledge that only the President of the Board of Directors or General Manager or their authorized representative has the authority to enter into an agreement that alters the at-will employment relationship, and any such agreement must be in writing and signed by the President of the Board of Directors or General Manager or their authorized representative.**

I further acknowledge that the Association reserves the right to revise, delete and add to the provisions of the Employee Handbook, and that all such revisions, deletions or additions must be in writing. No oral statements or representations can change the provisions of the handbook. Furthermore, the Association's policy of at-will employment may only be changed as stated in the prior paragraph.

I understand and acknowledge that nothing in this Employee Handbook or in any other document or policy is intended to prohibit me from reporting concerns, making lawful disclosures or communicating with any governmental authority about conduct I believe violates any laws or regulations. I also understand and acknowledge that nothing about the policies and procedures set forth in this Employee Handbook should be construed to interfere with any employee rights provided under state or federal law, including Section 7 of the National Labor Relations Act, including the right to communicate with others concerning wages, hours, benefits and other terms or conditions of employment; to self-organize, form, join or assist labor organizations; to bargain collectively with representatives of the employees' choosing; to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; or to refrain from engaging in such activities.

I further acknowledge that I have received, read and understand the Association's Equal Employment Opportunity and Sexual and Other Prohibited Harassment Policy and any additional policies prohibiting discrimination, harassment and sexual harassment. I agree to comply with these policies.

I understand that if I feel I have been subject to discrimination, harassment, sexual harassment or retaliation for conduct that may violate the Association's Equal Employment Opportunity and Sexual and Other Prohibited Harassment Policy or if I am aware of such conduct, I should immediately report the matter to Human Resources or a supervisor with whom I am most comfortable, or as otherwise indicated in this Employee Handbook.

I have read and understand the above statements.

Signature

Date

Print Name



Sudden Valley Community Association

360-734-6430

1850 Lake Whatcom Blvd, Bellingham, WA 98229

www.suddenvalley.com

BOARD OF DIRECTORS MEMO

To: Sudden Valley Community Association Board of Directors
From: Jo Anne Jensen, General Manager
Date: October 8, 2026
Subject: Approval Request – Offer to Purchase 63 Louise View Drive

Purpose

To request approval of an offer to purchase 63 Louise View Drive.

Background

On November 14, 2024, the SVCA Board of Directors approved actions that would lead to the sale of three lots (see attached). Two of those lots have been sold. An offer to purchase (see attached) has just been received for the third lot, located at 63 Louise View Drive. The board approved an offer to purchase this lot in March, but the buyer backed out of the agreement.

Analysis

The proposed buyers are a married couple, who currently live in Sudden Valley. Although there is not a current listing for this property, they called Greg Paul to ask about the lot, having seen the posted for sale sign earlier in the year.

Based on this offer, SVCA can expect the following in closing costs:

Offer price: \$10,000.00
7% R.E. commission: -\$700.00
1.6% WA State Excise Tax: -\$160.00
Title Insurance: -\$385.89
1/2 of the escrow chg.: -\$336.97

Approximate net proceeds prior to pro-rations for Whatcom County property taxes and Sudden Valley dues: \$8,417.14 +/-.

The offer has an expiration date of October 30th; the buyer has requested 7 days of Feasibility Contingency; and the closing date is scheduled to be on Wednesday, November 18, 2026.

Request

I request that the Board of Directors approve the offer to purchase the undeveloped lot located at 63 Louise View Drive for the full list price of \$10,000 and authorize board president, Keith McLean, to sign the offer on their behalf.



Sudden Valley Community Association

360-734-6430

1850 Lake Whatcom Blvd, Bellingham, WA 98229

www.suddenvalley.com

Motion

I move that the Board of Directors approve the offer to purchase the undeveloped lot located at 63 Louise View Drive for the full list price of \$10,000 and authorize board president, Keith McLean, to sign the offer on their behalf.

Approvals

Approved: _____

Not Approved: _____ SVCA Board of Directors

Signed: _____ Date: _____

Keith McLean, President

Form 26
Vacant Land PSA
Rev. 2/26
Page 1 of 6

VACANT LAND PURCHASE AND SALE AGREEMENT
Specific Terms

©Copyright 2026
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

1. Date: September 29, 2026 MLS No.: n/a Offer Expiration Date: 10/30/2026
2. Buyer: Mark W. Gallagher Craig Wolf A married couple
Buyer Buyer Status
3. Seller: Sudden Valley Community Association
Seller Seller
4. Property: Legal Description attached as Exhibit A. Tax Parcel No(s): 3704060600330000
63 Louise View Drive Bellingham Whatcom WA 98229
Address City County State Zip
5. Purchase Price: \$ 10,000.00 Ten Thousand U.S. Dollars
6. Earnest Money: \$ 500.00 U.S. Dollars; Delivery Date 5 days after mutual acceptance
To be held by ☐ Buyer Brokerage Firm; ☒ Closing Agent; ☐ In the form of a Promissory Note (Included as an Addendum)
7. Default: (check only one) ☒ Forfeiture of Earnest Money; ☐ Seller's Election of Remedies
8. Title Insurance Company: Whatcom Land & Title
9. Closing Agent: Whatcom Land & Title Amy Langstraet
Company Individual (optional)
10. Closing Date: 11/18/2026; Possession Date: ☒ on Closing; ☐ Other
11. Services of Closing Agent for Payment of Utilities: ☐ Requested (attach NWMLS Form 22K); ☒ Waived
12. Charges/Assessments Levied Before but Due After Closing: ☐ assumed by Buyer; ☒ prepaid in full by Seller at Closing
13. Seller Citizenship (FIRPTA): Seller ☐ is; ☒ is not a foreign person for purposes of U.S. income taxation
14. Subdivision: The Property: ☐ must be subdivided before; ☒ is not required to be subdivided
15. Feasibility Contingency: ☒ Expires 7 days after mutual acceptance; ☐ Satisfied/Waived
16. Information Verification Period: ☐ Expires _____ days after mutual acceptance; ☒ Satisfied/Waived
17. Agency Disclosure: Buyer represented by: ☐ Buyer Broker; ☐ Buyer/Listing Broker (limited dual agent); ☒ unrepresented
Seller represented by: ☒ Listing Broker; ☐ Listing/Buyer Broker (limited dual agent); ☐ unrepresented
18. Buyer Brokerage Compensation: 0 0 ☐ Addendum for Buyer Credit
(a) Seller's Offer (if any) (b) Amount to be Paid by Seller
19. Addenda: 22D(Optional Clauses) 22T(Tide Contingency) 35F(Feasibility)

- Sudden Valley Disclosure Form

<u>Mark William Gallagher</u>	<u>09/29/26</u>		<u>[Signature]</u>	<u>09/29/26</u>	
Buyer Signature	Date		Seller Signature	Date	
<u>3 Loganberry Lane</u>			<u>4 Clubhouse Circle</u>		
Buyer Address			Seller Address		
<u>Bellingham, WA, 98229</u>			<u>Bellingham, WA, 98229</u>		
City, State, Zip			City, State, Zip		
Buyer Phone No.		Fax No.	Seller Phone No.		Fax No.
Buyer E-mail Address			Seller E-mail Address		
<u>N/A</u>			<u>RE/MAX Whatcom County</u>	<u>9738</u>	
Buyer Brokerage Firm		MLS Office No.	Listing Brokerage Firm		MLS Office No.
<u>N/A</u>			<u>Greg Paul</u>	<u>45163</u>	
Buyer Broker (Print)		MLS LAG No.	Listing Broker (Print)		MLS LAG No.
			<u>(360) 647-5050</u>	<u>(360) 739-7354</u>	
Firm Phone No.	Broker Phone No.	Firm Fax No.	Firm Phone No.	Broker Phone No.	Firm Fax No.
			<u>DocumentDelivery@nwhomes.net</u>		
Firm Document E-mail Address			Firm Document E-mail Address		
			<u>GregPaul@Remax.net</u>		
Buyer Broker E-mail Address			Listing Broker E-mail Address		
			<u>26986</u>	<u>2155</u>	
Buyer Broker DOL License No.		Firm DOL License No.	Listing Broker DOL License No.		Firm DOL License No.

Form 26
Vacant Land PSA
Rev. 2/26
Page 2 of 8

VACANT LAND PURCHASE AND SALE AGREEMENT
General Terms

©Copyright 2026
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

a. **Purchase Price.** Buyer shall pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds, including funds from loans, the sale of other property, gifts, retirement, or future earnings, except to the extent otherwise specified in this Agreement. The parties shall use caution when wiring funds to avoid potential wire fraud. Before wiring funds, the party wiring funds shall take steps to confirm any wire instructions via an independently verified phone number and other appropriate measures.

b. **Earnest Money.** Buyer shall deliver the Earnest Money by the Delivery Date listed in Specific Term No. 6 (2 days after mutual acceptance if not filled in) to the party holding the Earnest Money (Buyer Brokerage Firm or Closing Agent). If sent by mail, the Earnest Money must arrive at Buyer Brokerage Firm or Closing Agent by the Delivery Date. If the Earnest Money is held by Buyer Brokerage Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Buyer Brokerage Firm's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer shall reimburse Buyer Brokerage Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Buyer Brokerage Firm is over \$10,000.00 Buyer has the option to require Buyer Brokerage Firm to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer so agree in writing. If Buyer does not complete an IRS Form W-9 before Buyer Brokerage Firm must deposit the Earnest Money or the Earnest Money is \$10,000.00 or less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Buyer Brokerage Firm may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Buyer Brokerage Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.

Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04.220, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to (i) disburse the earnest money or (ii) refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. For the purposes of this section, the term Closing Agent includes a Buyer Brokerage Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$750.00 for the costs thereof. The parties acknowledge that RCW 64.04.220 requires the court to award the Closing Agent its reasonable attorneys' fees and costs associated with an interpleader action.

c. **Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Seller shall not convey or reserve any oil and/or mineral rights after mutual acceptance without Buyer's written consent. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title. If the Property has been short platted, the Short Plat number is in the Legal Description.

d. **Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of standard form owner's policy of title insurance from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed. The Title Insurance Company shall send a copy of the preliminary commitment to Seller, Listing Broker, Buyer and Buyer Broker. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in said standard form and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be made so insurable prior

MWG 09/29/26
Buyer's Initials Date

CW 09/29/26
Buyer's Initials Date

Seller's Initials Date

Seller's Initials Date

Form 25
Vacant Land PSA
Rev. 2/26
Page 3 of 6

VACANT LAND PURCHASE AND SALE AGREEMENT General Terms

©Copyright 2026
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

to the Closing Date, then as Buyer's sole and exclusive remedy, the Earnest Money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to Buyer, less any unpaid costs described in this Agreement, and this Agreement shall thereupon be terminated. Buyer shall have no right to specific performance or damages as a consequence of Seller's inability to provide Insurable title.

e. Closing and Possession. This sale shall be closed by the Closing Agent on the Closing Date. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Seller. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until Buyer is provided possession. Buyer reserves the right to walk through the Property within 5 days of Closing to verify that Seller has maintained the Property as required by this paragraph. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld.

f. Section 1031 Like-Kind Exchange. If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party shall cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

g. Closing Costs and Prorations and Charges and Assessments. Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer shall pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 11, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).

Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or other assessments that may be charged against the Property before or after Closing. Seller will pay such charges that are or become due on or before Closing. Charges levied before Closing, but becoming due after Closing shall be paid as agreed in Specific Term No. 12.

h. Sale Information. Listing Broker and Buyer Broker are authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this sale, to furnish the Listing Broker and/or Buyer Broker, on request, any and all information and copies of documents concerning this sale.

i. Seller Citizenship and FIRPTA. Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 13 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") and provide the certification to the Closing Agent within 10 days of mutual acceptance. If Seller is a foreign person for purposes of U.S. income taxation, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service. Seller shall pay any fees incurred by Buyer related to such withholding and payment.

If Seller fails to provide the FIRPTA certification to the Closing Agent within 10 days of mutual acceptance, Buyer may give notice that Buyer may terminate the Agreement at any time 3 days thereafter (the "Right to Terminate Notice"). If Seller has not earlier provided the FIRPTA certification to the Closing Agent, Buyer may give notice of termination of this Agreement (the "Termination Notice") any time following 3 days after delivery of the Right to Terminate Notice. If Buyer gives the Termination Notice before Seller provides the FIRPTA certification to the Closing Agent, this Agreement is terminated and the Earnest Money shall be refunded to Buyer.

	09/29/26		09/29/26				
Buyer's Initials	Date	Buyer's Initials	Date	Seller's Initials	Date	Seller's Initials	Date

Form 25
Vacant Land PSA
Rev. 2/26
Page 4 of 6

VACANT LAND PURCHASE AND SALE AGREEMENT
General Terms

©Copyright 2026
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

- J. Notices and Delivery of Documents.** Any notice related to this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed delivered only when the notice is received by Seller, by Listing Broker, or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed delivered only when the notice is received by Buyer, by Buyer Broker, or at the licensed office of Buyer Broker. Documents related to this Agreement, such as NWMLS Form 17C, Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, and all other documents shall be delivered pursuant to this paragraph. Buyer and Seller must keep Buyer Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.
- Facsimile transmission of any notice or document shall constitute delivery. E-mail transmission of any notice or document (or a direct link to such notice or document) shall constitute delivery when: (i) the e-mail is sent to both Buyer Broker and Buyer Brokerage Firm or both Listing Broker and Listing Brokerage Firm at the e-mail addresses specified on page one of this Agreement; (ii) Buyer Broker or Listing Broker provide written acknowledgment of receipt of the e-mail (an automatic e-mail reply does not constitute written acknowledgment); or (iii) if a party is unrepresented, the e-mail is sent directly to the party's e-mail address specified on page one of this Agreement. At the request of either party, or the Closing Agent, the parties will confirm facsimile or e-mail transmitted signatures by signing an original document.
- K. Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 6 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. When counting backwards from Closing, any period of time measured in days shall start on the day prior to Closing and if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day, moving forward, that is not a Saturday, Sunday or legal holiday (e.g. Monday or Tuesday). If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.
- L. Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature.
- M. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement.
- N. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 7, shall apply:
- Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.
 - Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.
- O. Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement, or if the party holding the Earnest Money commences an interpleader action, the prevailing party is entitled to reasonable attorneys' fees and expenses.
- P. Offer.** This offer must be accepted by 9:00 p.m. on the Offer Expiration Date, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, by the other party's broker, or at the licensed

 09/29/26
Buyer's Initials Date

 09/29/26
Buyer's Initials Date


Seller's Initials Date


Seller's Initials Date

Form 25
Vacant Land PSA
Rev. 2/26
Page 5 of 6

VACANT LAND PURCHASE AND SALE AGREEMENT General Terms

©Copyright 2026
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

office of the other party's broker pursuant to General Term J. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

q. **Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of or change to Seller's name and Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party's broker, or at the licensed office of the other party's broker pursuant to General Term J. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

r. **Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn.

s. **Agency Disclosure.** Buyer Brokerage Firm, Buyer Brokerage Firm's Designated Broker, Buyer Broker's Branch Manager (if any) and Buyer Broker's Managing Broker (if any) represent the same party that Buyer Broker represents. Listing Brokerage Firm, Listing Brokerage Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. All parties acknowledge receipt of the pamphlet entitled "Real Estate Brokerage in Washington."

t. **Brokerage Firm Compensation.** Seller and Buyer shall pay compensation in accordance with any listing or compensation agreement to which they are a party. The Listing Brokerage Firm's compensation shall be paid as specified in the listing agreement. The compensation offered by Seller to the Buyer Brokerage Firm, if any, is set forth in Specific Term No. 18(a), and if there is any inconsistency between the Buyer Brokerage Firm compensation offered and the description of the offered compensation stated in Specific Term No. 18(a), the terms shall be as set forth in the published offer. Seller shall pay the Buyer Brokerage Firm compensation set forth in Specific Term No. 18(b). Amounts described as a percentage in Specific Term No. 18(a) or 18(b) shall be a percentage of the Purchase Price unless otherwise specified by the parties. Seller and Buyer hereby consent to Listing Brokerage Firm or Buyer Brokerage Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Brokerage Firm and Buyer Brokerage Firm, as applicable, a portion of their funds in escrow equal to such compensation and irrevocably instruct the Closing Agent to disburse the compensation directly to the Firm(s). In any action by Listing or Buyer Brokerage Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third-party beneficiaries under this Agreement.

u. **Subdivision.** If the Property must be subdivided, Seller represents that there has been preliminary plat approval for the Property and this Agreement is conditioned on the recording of the final plat containing the Property on or before the date specified in Specific Term No. 14. If the final plat is not recorded by such date, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

v. **Feasibility Contingency.** Unless satisfied/waived, Buyer shall have the time period set forth in Specific Term No. 15 to verify the suitability of the Property for Buyer's intended use, including whether the Property can be platted, developed and/or built on (now or in the future) and what it will cost to do so. Buyer should not rely on any oral statements concerning this made by Seller, Listing Broker or Buyer Broker. Buyer should inquire at the city or county, and water, sewer or other special districts in which the Property is located. Buyer's inquiry should include, but not be limited to: building or development moratoriums applicable to or being considered for the Property; any special building requirements, including setbacks, height limits or restrictions on where buildings may be constructed on the Property; whether the Property is affected by a flood zone, wetlands, shorelands or other environmentally sensitive areas; road, school, fire and any other growth mitigation or impact fees that must be paid; the procedure and length of time necessary to obtain plat approval and/or a building permit; sufficient water, sewer and utility and any service connection charges; and all other charges that must be paid. Buyer and Buyer's agents, representatives, consultants, architects and engineers shall have the right, from time to time during and after the feasibility contingency, to enter onto the Property and to conduct any tests or studies that Buyer may need to ascertain the condition and suitability of the Property for Buyer's intended purpose. Buyer shall restore the Property and all improvements on the Property to the same condition they were in prior to the inspection. Buyer shall be responsible for all damages resulting from any inspection of the Property performed on Buyer's behalf. Seller shall cooperate with Buyer in obtaining permits or other approvals Buyer may reasonably require for Buyer's intended use of the Property; provided that Seller shall not be required to incur any liability or expenses in doing so. If Buyer does not give notice of disapproval on or before the time period set forth in Specific Term No. 15, this feasibility contingency shall conclusively be deemed satisfied. If Buyer gives timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. The Feasibility Contingency Addendum (NWMLS Form 35F), if included in the Agreement, supersedes the Feasibility Contingency in Specific Term No. 15 and this General Term v.

	09/29/26		09/29/26				
Buyer's Initials	Date	Buyer's Initials	Date	Seller's Initials	Date	Seller's Initials	Date

Form 25
Vacant Land PSA
Rev. 2/26
Page 6 of 6

VACANT LAND PURCHASE AND SALE AGREEMENT
General Terms

©Copyright 2026
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

- w. Information Verification Period.** Unless satisfied/waived, Buyer shall have the time period set forth in Specific Term No.16 (10 days after mutual acceptance if not filled in) to verify all information provided from Seller or Listing Brokerage Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within the time period set forth in Specific Term No. 16. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.
- x. Property Condition Disclaimer.** Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from Seller or Buyer, and not from any Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Broker. Brokers make no representation concerning: (I) the lot size, boundaries, or accuracy of any information provided by Seller; (II) the square footage of any improvements on the Property; or (III) whether there are any encroachments (e.g., fences, rockeries, buildings) on the Property, or by the Property on adjacent properties. Buyer is advised to verify lot size, square footage, and encroachments to Buyer's satisfaction. In addition, Brokers do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. In addition, some properties may contain soil or other contamination that is not readily apparent and may be hazardous. Brokers do not have the expertise to identify or assess defective or hazardous products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's satisfaction and to retain inspectors qualified to identify the presence of defective or hazardous materials and conditions and evaluate the Property as there may be defects and hazards that may only be revealed by careful inspection. Buyer is advised to investigate whether the Property is suitable for Buyer's intended use and to ensure the water supply is sufficient to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, fire, flood, earthquake, landslide, and other available coverage. Buyer acknowledges that local ordinances may restrict short term rentals of the Property. Brokers may assist the parties with locating and selecting third-party service providers, such as inspectors or contractors, but Brokers cannot guarantee or be responsible for the services provided by those third parties. The parties shall exercise their own judgment and due diligence regarding third-party service providers.
- y. Fair Housing.** Seller and Buyer acknowledge that local, state, and federal fair housing laws prohibit discrimination based on sex, marital status, sexual orientation, gender identity, race, creed, color, religion, caste, national origin, citizenship or immigration status, families with children status, familial status, honorably discharged veteran or military status, the presence of any sensory, mental, or physical disability, or the use of a support or service animal by a person with a disability.
- z. Financial Crimes Enforcement Network (FinCEN) Real Estate Reporting.** Section 1010.821 of Chapter 31 of the Code of Federal Regulations ("Code") requires that certain residential real estate transactions purchased with all cash or without institutional lender financing, where at least one buyer is a legal entity, limited liability company, corporation, partnership, trust, trustee, or other non-natural person, must be reported to the United States Treasury Department's Financial Crimes Enforcement Network ("FinCEN Report").
- If this transaction is subject to the FinCEN Report, then Seller and Buyer shall, no later than Closing, provide to the Closing Agent the information and documentation necessary to enable the Closing Agent to complete the FinCEN Report. Such information and documentation includes the full legal name, date of birth, residential street address, and the IRS taxpayer identification number of the beneficial owners of the Buyer, as further defined and described in the Code. Buyer shall also pay all costs and fees to prepare and file the FinCEN Report.

 09/29/26
Buyer's Initials Date

 09/29/26
Buyer's Initials Date


Seller's Initials Date

Seller's Initials Date

Exhibit-A
63 Louise View Drive
Bellingham, WA

Legal Description: Real property in the County of Whatcom, State of Washington, described as follows:

Lot 70, Plat of Sudden Valley, Division No. 30, according to the plat thereof, recorded in Volume 12 of plats, pages 72 to 75, inclusive, records of Whatcom County, Washington.

Situate in the Whatcom County, Washington.

Parcel Number: 370408 060033 0000

SUBJECT TO: Covenants, Conditions, Reservations, Restrictions, Rights, Declarations and Easements of Record.

Buyer:  09/29/26

Buyer:  09/29/26

Seller: 

Seller: _____

Form 22D
Optional Clauses Addendum
Rev. 2/28
Page 1 of 2

©Copyright 2026
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

OPTIONAL CLAUSES ADDENDUM TO PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 29, 2026 1
between Mark W. Gallagher Craig Wolf ("Buyer") 2
Buyer Buyer
and Sudden Valley Community Association ("Seller") 3
Seller Seller
concerning 63 Louise View Drive Bellingham WA 98229 (the "Property"). 4
Address City State Zip

CHECK IF INCLUDED: 5

1. **Title Insurance.** The Title Insurance clause in the Agreement provides Seller is to provide the then-current ALTA form of Homeowner's Policy of Title Insurance. The parties have the option to provide less coverage by selecting a Standard Owner's Policy or more coverage by selecting an Extended Coverage Policy: 6
☐ **Standard Owner's Coverage.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Owner's Policy of Title Insurance, together with homeowner's additional protection and inflation protection endorsements, if available at no additional cost, rather than the Homeowner's Policy of Title Insurance. 7
11
12
☐ **Extended Coverage.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense to apply for an ALTA or comparable Extended Coverage Policy of Title Insurance, rather than the Homeowner's Policy of Title Insurance. Buyer shall pay the increased costs associated with the Extended Coverage Policy, including the excess premium over that charged for Homeowner's Policy of Title Insurance and the cost of any survey required by the title insurer. 13
14
15
16
17
2. ☐ **Seller Cleaning.** Seller shall clean the interiors of any structures and remove all trash, debris and rubbish from the Property prior to Buyer taking possession. 18
19
3. ☐ **Personal Property.** Unless otherwise agreed, Seller shall remove all personal property from the Property not later than the Possession Date. Any personal property remaining on the Property thereafter shall become the property of Buyer, and may be retained or disposed of as Buyer determines. 20
21
22
4. ☒ **Utilities.** To the best of Seller's knowledge, Seller represents that the Property ~~is connected to:~~ has the following available: 23
☒ public water main; ☒ public sewer main; ☐ septic tank; ☐ well (specify type) _____; 24
☐ irrigation water (specify provider) _____; ☐ natural gas; ☐ telephone; ☒ electricity; 25
☒ cable (specify provider) Comcast; ☐ Internet (specify provider) _____; 26
☐ other _____ 27
5. ☐ **Insulation - New Construction.** If this is new construction, Federal Trade Commission Regulations require the following to be filled in. If insulation has not yet been selected, FTC regulations require Seller to furnish Buyer the information below in writing as soon as available: 28
29
30
WALL INSULATION: TYPE: _____ THICKNESS: _____ R-VALUE: _____ 31
CEILING INSULATION: TYPE: _____ THICKNESS: _____ R-VALUE: _____ 32
OTHER INSULATION DATA: _____ 33
6. ☐ **Leased Property Review Period and Assumption.** Buyer acknowledges that Seller leases the following items of personal property that are included with the sale: ☐ propane tank; ☐ security system; ☐ satellite dish and operating equipment; ☐ other _____ 34
35
36

Seller shall provide Buyer a copy of the lease for the selected items within _____ days (5 days if not filled in) of mutual acceptance. If Buyer, in Buyer's sole discretion, does not give notice of disapproval within _____ days (5 days if not filled in) of receipt of the lease(s) or the date that the lease(s) are due, whichever is earlier, then this lease review period shall conclusively be deemed satisfied (waived) and at Closing, Buyer 37
38
39
40

 09/29/26	 09/29/26	
Buyer's Initials Date	Buyer's Initials Date	Seller's Initials Date

**OPTIONAL CLAUSES ADDENDUM TO
PURCHASE & SALE AGREEMENT**
Continued

shall assume the lease(s) for the selected item(s) and hold Seller harmless from and against any further obligation, liability, or claim arising from the lease(s), if the lease(s) can be assumed. If Buyer gives timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

7. ☐ **Homeowners' Association Review Period.** If the Property is subject to a homeowners' association or any other association, then Seller shall, at Seller's expense, provide Buyer a copy of the following documents (if available from the Association) within _____ days (10 days if not filled in) of mutual acceptance:
- a. Association rules and regulations, including, but not limited to architectural guidelines;
 - b. Association bylaws and covenants, conditions, and restrictions (CC&Rs);
 - c. Association meeting minutes from the prior two (2) years;
 - d. Association Board of Directors meeting minutes from the prior six (6) months; and
 - e. Association financial statements from the prior two (2) years and current operating budget.

If Buyer, in Buyer's sole discretion, does not give notice of disapproval within _____ days (5 days if not filled in) of receipt of the above documents or the date that the above documents are due, whichever is earlier, then this homeowners' association review period shall conclusively be deemed satisfied (waived). If Buyer gives timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

8. ☒ **Homeowners' Association Transfer Fee.** If there is a transfer fee imposed by the homeowners' association or any other association (e.g. a "move-in" or "move-out" fee), the fee shall be paid by the party as provided for in the association documents. If the association documents do not provide which party pays the fee, the fee shall be paid by ☒ Buyer; ☐ Seller (Seller if not filled in).

9. ☐ **Excluded Item(s).** The following item(s), that would otherwise be included in the sale of the Property, is excluded from the sale ("Excluded Item(s)"). Seller shall repair any damage to the Property caused by the removal of the Excluded Item(s). Excluded Item(s):

10. ☐ **Home Warranty.** Buyer and Seller acknowledge that home warranty plans are available which may provide additional protection and benefits to Buyer and Seller. Unless completed below, the parties waive ordering of a home warranty policy in connection with this Agreement:

- a. Home warranty provider: _____
- b. Seller shall pay up to \$_____ (\$0.00 if not filled in) of the cost for the home warranty, together with any included options, and Buyer shall pay any balance.
- c. Home warranty coverage period: _____ (one year, if not filled in).
- d. Options to be included: _____ (none, if not filled in).
- e. Other: _____

11. ☒ **Other.**
- Regarding Item #8 above, the total cost of the Homeowners' Association Transfer Fee is \$150.

	09/29/26		09/29/26				
Buyer's Initials	Date	Buyer's Initials	Date	Seller's Initials	Date	Seller's Initials	Date

Form 22T
Title Contingency Addendum
Rev. 7/23
Page 1 of 1

©Copyright 2023
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

**TITLE CONTINGENCY ADDENDUM TO
PURCHASE & SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated September 29, 2026 1
between Mark W. Gallagher Craig Wolf ("Buyer") 2
Buyer Buyer
and Sudden Valley Community Association ("Seller") 3
Seller
concerning 63 Louise View Drive Bellingham WA 98229 (the "Property"). 4
Address City State Zip

1. **Title Contingency.** This Agreement is subject to Buyer's review of a preliminary commitment for title insurance, 5
together with any easements, covenants, conditions and restrictions of record. Buyer shall have 5 6
days (5 days if not filled in) from ☒ the date of Buyer's receipt of the preliminary commitment for title insurance; 7
or ☐ mutual acceptance (from the date of Buyer's receipt, if neither box checked) to give notice of Buyer's 8
disapproval of exceptions contained in the preliminary commitment. If Buyer receives the preliminary 9
commitment before mutual acceptance, Buyer's time to review shall begin on mutual acceptance. The 10
preliminary commitment delivered for review under this contingency need not identify Buyer as the insured. 11
Seller shall have 5 days (5 days if not filled in) after Buyer's notice of disapproval to give Buyer 12
notice that Seller will clear all disapproved exceptions. Seller shall have until the Closing Date to clear all 13
disapproved exceptions. 14
If Seller does not give timely notice that Seller will clear all disapproved exceptions, Buyer may terminate this 15
Agreement within 3 days after the deadline for Seller's notice. In the event Buyer elects to terminate the 16
Agreement, the Earnest Money shall be returned to Buyer. If Buyer does not timely terminate the Agreement, 17
Buyer shall be deemed to have waived all objections to title, which Seller did not agree to clear. 18
2. **Supplemental Title Reports.** If supplemental title reports disclose new exception(s) to the title commitment, 19
then the above time periods and procedures for notice, correction, and termination for those new exceptions 20
shall apply to the date of Buyer's receipt of the supplemental title report. The Closing date shall be extended as 21
necessary to accommodate the foregoing times for notices. 22
3. **Marketable Title.** This Addendum does not relieve Seller of the obligation to provide marketable title at Closing 23
as provided for in the Agreement. 24

MWG 09/29/26
Buyer's Initials Date

CAW 09/29/26
Buyer's Initials Date

Seller's Initials Date

Seller's Initials Date

Form 35F
Feasibility Contingency Addendum
Rev. 7/23
Page 1 of 1

©Copyright 2023
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

FEASIBILITY CONTINGENCY ADDENDUM

The following is part of the Purchase and Sale Agreement dated September 29, 2026 1
between Mark W. Gallagher Craig Wolf ("Buyer") 2
Buyer Buyer
and Sudden Valley Community Association ("Seller") 3
Seller Seller
concerning 63 Louise View Drive Bellingham WA 98229 (the "Property"). 4
Address City State Zip

1. **FEASIBILITY CONTINGENCY.** Buyer shall verify within 7 days (20 days if not filled in) after mutual acceptance (the "Feasibility Contingency Expiration Date") the suitability of the Property for Buyer's intended use. This feasibility contingency shall conclusively be deemed waived unless Buyer gives notice of disapproval on or before the Feasibility Contingency Expiration Date. If Buyer gives a timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 5 6 7 8 9
2. **BUYER DUE DILIGENCE.** Buyer should not rely on any oral statements concerning the Property made by the Seller, Listing Broker or Buyer Broker. Buyer should inquire at the city or county, and water, sewer or other special districts in which the Property is located. Buyer's inquiry shall include, but not be limited to: whether the Property can be platted, developed and/or built on (now or in the future) and the related costs; building or development moratoria applicable to or being considered for the Property; any special building requirements, including setbacks, height limits or restrictions on where buildings may be constructed on the Property; whether the Property is affected by a flood zone, wetlands, shorelands or other environmentally sensitive area; road, school, fire and any other growth mitigation or impact fees that must be paid; the procedure and length of time necessary to obtain plat approval and/or a building permit; sufficient water, sewer and utility and any services connection charges; all other charges that must be paid. 10 11 12 13 14 15 16 17 18 19
3. **PROPERTY ACCESS.** Buyer and Buyer's agents, representatives, consultants, architects and engineers shall have the right, from time to time during the feasibility contingency, to enter onto the Property and to conduct any tests or studies that Buyer may need to ascertain the condition and suitability of the Property for Buyer's intended purpose. Buyer shall restore the Property and all improvements on the Property to the same condition they were in prior to the inspection. Buyer shall be responsible for all damages resulting from any inspection of the Property performed on Buyer's behalf. Seller shall cooperate with Buyer in obtaining permits or other approvals Buyer may reasonably require for Buyer's intended use of the Property; provided that Seller shall not be required to incur any liability or expense in doing so. 20 21 22 23 24 25 26 27
4. ☐ **AGREEMENT TERMINATED IF NOTICE OF SATISFACTION NOT TIMELY PROVIDED.** If checked, this Agreement shall terminate and Buyer shall receive a refund of the Earnest Money unless Buyer gives notice to Seller on or before the Feasibility Contingency Expiration Date that the Property is suitable for Buyer's intended purpose. 28 29 30 31

MWG 09/29/26
Buyer's Initials Date

CW 09/29/26
Buyer's Initials Date

Seller's Initials Date

Seller's Initials Date



DISCLOSURES REGARDING SUDDEN VALLEY HOMEOWNER'S ASSOCIATION

Buyers acknowledge that properties within Sudden Valley are subject to a Homeowner's Association ("HOA") and:

(1) are subject to the By-Laws, Covenants, Conditions & Restrictions ("CC&Rs") of the Sudden Valley Community Association ("SVCA"); and

(2) are subject to monthly SVCA assessments.

Approximate Assessments January 1, 2026 through December 31, 2026:

Monthly Assessment:

☐ \$167.21 dues for developed lots

☒ \$158.79 dues for undeveloped lots

All the foregoing is subject to change according to association governing documents, and Buyers are encouraged to confirm the current, applicable charges with SVCA officials. Buyers further acknowledge that the Sudden Valley Community Association charges a transfer fee in the amount of **\$150**, payable by Buyer at close of escrow.

HOA documents, including the By-Laws, Meeting Minutes, and CC&Rs, are available to Buyers at www.suddenvalley.com. Association and Board of Directors meeting minutes and Treasurer's Reports are available for review online and will not be provided by Seller. **This notice serves as delivery of the Homeowner's Association documents in reference to the Optional Clauses (Form 22D), Item 8.**

Buyers are encouraged to gain a complete understanding of the Sudden Valley Community by visiting the SVCA Office located at 1850 Lake Whatcom Boulevard, Bellingham, WA 98229 during business hours or by calling (360) 734-6430.

 09/29/26

Buyer Date

 09/29/26

Buyer Date



Seller Date



Seller Date



Sudden Valley Community Association

360-734-6430

1850 Lake Whatcom Blvd., Bellingham, WA 98229

www.suddenvalley.com

MEMO

To: Sudden Valley Community Association Board of Directors
From: Jo Anne Jensen, General Manager
Date: October 8, 2026
Subject: Discussion of Capital Project Bid Process

Purpose

To describe SVCA's current capital project bid process as a framework for discussion on how it could be improved.

Background

In 2019, SVCA implemented a new process for soliciting bids from contractors for large-scale capital projects. The new process was modeled on the method by which bids for public works projects are managed. At the time, it was difficult for SVCA to get bids from contractors because there had been a pattern of bids being requested without work being awarded. Preparing a bid takes time, and contractors decided that it was not worth their time to respond to SVCA.

Process Overview

Where do projects come from?

Capital projects are either included in the budget, a reaction to an unexpected need for maintenance, or undertaken at the direction of the Board. If the project was included in the budget, we already have an understanding of how much the project will cost and that funds are available.

Defining the project scope

The first step is to define what is and is not included in the project and/or stating the goals of the project.

Design & Permitting

If a project will require a permit, the next step is an iterative design/submit/respond process with Whatcom County. Different types of work require different permits. Different permits require different supportive reports to be submitted along with plans for the work. This is usually handled by Impact Design, but other engineering or architectural firms may be engaged, based on the needs of the project. A budget for the project is prepared during this phase; if it is a large-scale project, a formal engineer's estimate may be prepared.

Engineer's Estimate

An engineer's estimate includes a detailed analysis of what it will take to build the project. This will break down the project into many line items that will include budgets for labor, equipment, and materials to complete each task needed. These budgets are put together based on historical data the engineers have from other similar projects/scopes, taking into account current market pricing. A recommended budget contingency is also included at the bottom of each estimate. The engineer's estimate does not take into account variables that may affect a contractor's bid such as their current workload, the distance from their location to the work site, etc.

An engineer's estimate is important to get a realistic understanding of how much a project is going to cost before asking for bids. In this way, we avoid asking for estimates and then determining that funding is not available for the project. When projects are put out to bid, but not awarded because adequate funding wasn't in place, contractors are discouraged from bidding on future jobs. When multiple bids cannot be obtained, the Association does not get the advantage of competitive pricing.

For most large projects, the board is asked to approve funding for the project before the bids are sent out. When this is done, the bid package can include the information that funding has already been approved, increasing the likelihood that contractors will choose to prepare a bid.

Going to Bid

The bid package includes plans that give the specific details of the project. Additionally, a cost breakdown structure is given so that each element of the project is estimated separately and can be compared. A schedule is also included in the package so that contractors know when their bid is due and when it is anticipated that the project will be awarded. Last but not least, if an engineer's estimate has been prepared for the project, it may be shared with contractors. The actual engineer's estimate won't be shared, but the pre-contingency total listed. This set of information allows the contractors to decide if it is worth their time to prepare a bid and is provided for the majority of public works projects. It provides contractors with general information about size of the project, scope of work that will be required based on bid items/quantities, and schedule requirements to determine if it is a fit for them to go through the bidding process that takes substantial time. While SVCA is not required to follow the rules applied to government projects, it is a process that is familiar to contractors. This process also provides full transparency to the SVCA community, so that members can have confidence that a fair and rigorous competitive process is being followed. Bids are generally issued with a 3-week bidding period and the deadline is strictly followed.

Which contractors are sent bid packages?

Bids packages are sent to a list of local contractors that are reputable and experienced. A choice is made based on the nature of the project and the capabilities of each contractor.

Summarizing the Bid Results

When the bids are received, they are immediately tallied in the bid summary. This summary is provided back to the contractors who submitted a bid, generally on the same day. This is an expected practice and provides full transparency to the bidders on results. The summary also accompanies the capital request given to the Board when they are asked to approve funding or a contract award.

Questions to Consider

- When is the expense of preparing an engineer's estimate warranted?
- Does it make sense to request construction funding in advance of sending the bid package to contractors?
- Does sharing the engineer's estimate with contractors bias them toward higher bids?
- Does sharing the bid results with contractors diminish the competitive nature of the process?
- Do elements of this process need to be changed to ensure that SVCA is getting the best possible price and quality of work?